

WEST VIRGINIA

Anna F. Cole to be postmaster at Hundred, W. Va., in place of A. F. Simms. Incumbent's commission expired February 9, 1936.

Richard Ivan Hargett to be postmaster at Kimberly, W. Va., in place of U. A. Cobb, resigned.

Bartholomew D. Eagan to be postmaster at Ronceverte, W. Va., in place of I. W. Folden. Incumbent's commission expired January 7, 1936.

WISCONSIN

Walter F. Netzel to be postmaster at Crandon, Wis., in place of J. F. Lambert. Incumbent's commission expired January 18, 1936.

Clara A. E. Manion to be postmaster at Oregon, Wis., in place of N. I. McGill. Incumbent's commission expired February 10, 1936.

Henry F. Schumacher to be postmaster at Stoughton, Wis., in place of L. C. Currier, deceased.

WYOMING

Arthur W. Crawford to be postmaster at Guernsey, Wyo., in place of A. W. Crawford. Incumbent's commission expired January 9, 1936.

CONFIRMATION

Executive nomination confirmed by the Senate April 29 (legislative day of Apr. 24), 1936

POSTMASTER

NORTH DAKOTA

Winnifred D. Flaten, Edinburg.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 29, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

O Thou who art the King of kings and the Lord of lords, we praise Thee that the rich and poor, the high and lowly, the good and bad may call Thee "Father." Thou, whose essence is love, to whom discord and sin are abhorrent, teach us the art of brotherly love. May we reflect it in the home, in society, and in the affairs of state. We thank Thee for the pure, noble, and self-sacrificing life of Jesus of Nazareth. We pray Thee that we may be brought in contact with the life-giving currents of His marvelous life. That our lives may be obedient and Godlike, we entreat Thee to make us susceptible to His holy will, and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2883. An act to provide for the further development of vocational education in the several States and Territories; and

S. Con. Res. 37. Concurrent resolution authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the bill (H. R. 10489) entitled "An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 267) entitled

"An act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. BULKLEY, and Mr. WHITE to be the conferees on the part of the Senate.

DISTRICT OF COLUMBIA AIRPORT COMMISSION

The SPEAKER announced, pursuant to provisions of Public Law No. 529, Seventy-fourth Congress, the appointment of Mrs. NORTON, Mr. NICHOLS, and Mr. COLE of New York as members of the District of Columbia Airport Commission.

WHY PRESIDENT ROOSEVELT SHOULD BE REELECTED

Mr. DIES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio speech made by me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on April 24:

I recall vividly the occasion of President Roosevelt's inauguration. It was a gloomy day in more respects than one. Thousands of people were standing in front of the inaugural stand awaiting the arrival of a new leader. Despair was written upon every face. Fear gripped every heart. Many thought that we were on the verge of economic collapse. The banks were closed. Terrified people were standing in line in front of the Treasury to convert their paper currency into gold. Millions were jobless and hungry, while other millions faced bankruptcy and foreclosures. Homes and farms were being sold under the hammer. Agricultural products glutted the market, and the price of cotton was 5 cents a pound. Old age faced want and poverty without a single ray of hope. Youth saw the doors of opportunity closed to ambition and energy. When President Roosevelt faced that despairing multitude who symbolized the majority of our people he knew what was in their hearts and minds. Then he did something I shall never forget to my dying day. He smiled. If ever a nation needed a smile it was on that gloomy day. Not only did he smile but he spoke with cheerfulness and optimism. That smile and cheerfulness melted the icy fear that had paralyzed the hearts of a stricken people.

When we Democrats began the difficult task of recovery we had before us a map which outlined the course of action and policy. That map was the party platform. No one can deny that we made a sincere effort to steer the ship of state according to that chart. We reorganized the banking structure upon a sound basis. We passed a drastic economy bill which provoked widespread opposition. But it soon became apparent to every thinking man that if we adhered to that chartered course we would run headlong into a hurricane that would smash the ship of state against the rocks.

To those who condemn us for temporarily departing from that chart, may I propose this question: Suppose that the captain of a ship set sail upon a charted course and after proceeding for 100 miles received warning of a hurricane directly ahead, would it not be his duty to deviate from the original course to save the ship and all on board? That is exactly what we did. We received the most serious storm warning. The barometer was falling steadily; the gale was increasing with alarming rapidity. Even a landlubber could interpret the signs of the approaching tempest. Unemployment was rapidly increasing. Food riots were breaking out. More and more homes and farms were going under the hammer. The American dollar was attacked by all foreign currencies. Export trade was vanishing. General paralysis was spreading over the entire economic body. To aggravate this situation fire broke out on the ship of state. At this critical juncture President Roosevelt acted with decision and promptness. He steered the ship as far from the troubled area as possible and ordered vigorous and direct measures to extinguish the fire. Not a human soul on board protested these orders or suggested a substitute. The majority of the passengers volunteered their assistance to extinguish the fire. Some of them, however, hid in the hold of the ship or locked themselves in their staterooms. The President issued a series of emergency orders in rapid-fire succession. First, he ordered that the hungry be fed and the naked clothed and that Government jobs be created for as many as possible. Then we stopped the raids upon the gold supply by doing what Europe had already done—by going off the gold standard and devaluing the gold dollar. We extended the principle of the R. F. C. loans to include home and farm owners, with the result that millions of homes were saved from the sheriff's hammer. We applied the tariff principle to agriculture, with the result that the farm income has increased 52 percent over 1933.

I do not say that in our haste to stop the progress of the fire we did not make mistakes. No doubt we tore away sound planks. Was a fire ever extinguished without wasting water? But it must be remembered that we were dealing with a grave emer-

gency that would not brook delay nor tolerate lengthy debate. We were unprepared; our equipment was inadequate and we had too few trained firemen. But let it be remembered that during this critical time no one came forward with a better plan. Everyone was content to leave to Roosevelt and Congress the responsibility of guiding the ship. When the fire was brought under control and the storm began to moderate, a strange thing happened. The passengers who had hidden in their staterooms or in the hold of the ship came on deck, surveyed the severed planks and the water-soaked compartments and exclaimed, "We do not approve of the way you brought this fire under control and we condemn you for leaving the chartered course." From every quarter of the Republic politicians are coming out of their staterooms and saying that we were not good firemen and sailors, and that they should be allowed to steer the ship into the placid waters of approaching recovery. Yet when the storm and fire were raging we received not one word of constructive suggestions from this critical crowd. It is much easier to say now what should have been done than it was at that time, because hindsight is always better and clearer than foresight.

My friends, I know it to be a fact that the President welcomes constructive criticism. He does not claim to be perfect. He has freely admitted that if he could be right 75 percent of the time he would consider himself fortunate. But constructive criticism must not only point out in black and white where we erred but it must offer something better in the place of that which is condemned. To these critics of the New Deal who now condemn the way the captain, first mate, and we ordinary sailors ran the ship during this grave emergency, let me issue this challenge: Why didn't you give helpful suggestions during the emergency? Why were you silent then? I challenge you to name in black and white each and every bill we passed and each and every step we took which you now condemn, and state specifically what you would have done under the same circumstances. Anyone can tear down a house but it takes a carpenter to build one. It is equally unfair to praise the captain of the ship but condemn the sailors who followed his orders and fully cooperated with him. Without the sailors the captain would have been helpless. Therefore, any endorsement of the President and his program must include us Congressmen who cooperated with the President and made possible the success of his program. It is cheap and cowardly to denounce the sailors for want of courage to condemn the captain. Although we have been compelled to resort to drastic measures to halt the fire, no Democrat intends to continue these emergencies after the fire is extinguished. While the patient is suffering it is justifiable to administer morphine, but it is the duty of the doctor to cease the dose as soon as possible. We must not allow this Nation to become an addict to the dose. But some of the remedies proposed by our critics are no immediate answer to empty stomachs and embittered hearts.

Whatever else may be said by our critics, it must be conceded that the President has furnished the Nation with the highest type of honest and fearless leadership. When he has proposed legislation such as the old-age pensions, unemployment insurance, public works, relief, and other similar measures necessitating the appropriation of additional money he has had the courage to tell Congress where to get the money. On the eve of an election he has had the courage and honesty to propose a concrete and definite tax bill to raise the money to pay pensions to the aged and furnish relief and jobs for the unemployed. How many public officials would have demonstrated this courage? The cowardly, time-serving, and insincere public official would have postponed the tax bill until after the election. The cheap politician would have merely asked Congress for the money without having the moral and political courage to tell Congress specifically where to get it. This is the sure test between statesmanship and demagoguery, between courage and cowardice, between sincerity and hypocrisy.

We are approaching another national election. Every indication points to the fact that our enemies will engage in mud slinging and personalities. Already some of the enemies of this administration are conducting a whispering campaign against the President and his family. A typical lie that is being circulated is that the President is in league with Astor and Barney Baruch to promote the interest of certain powerful corporations. Mud slinging should not be tolerated in a political campaign. No one but political scavengers seek to besmear with their filth the fair name of an opponent. When candidates or their friends resort to mud slinging and personalities they immediately confess the weakness of their cause, the poverty of their thoughts, and the rottenness of their characters. I respect a thief infinitely more than I do reputation slanders and character assassins. As Shakespeare said, "He who steals my purse steals trash, but he who filches from me my good name robs me of that which does not enrich him, but makes me poor indeed." These vile creatures of the sewer who seek to defame the reputation of faithful and honest public servants should be avoided by all honest men and branded for what they are.

No man has ever demonstrated more completely his independence and honesty than Franklin D. Roosevelt. There may be doubts as to where some candidates get their money to finance campaigns. We may have serious doubts as to the honesty of a candidate who never made anything but a living and who is able to make several expensive campaigns in succession. We may even be morally certain that selfish interests are financing his campaign; but not so with Franklin D. Roosevelt. We know where every dollar came from to finance his campaign. No one can deny

that the President's program is in every respect free from the influence or dictation of big business or self-seeking interests.

The President has devoted himself exclusively to the tasks of recovery and needed reforms. He is not spending his time running around over the country delivering graduation and picnic speeches, dodging and ducking controversial subjects, hand-shaking, and back slapping, and seeking to build up his political fences.

It is charged that we have violated the Democratic principle of State rights. My friends, we believe in State rights, but we are against State wrongs.

In conclusion, my friends, let us keep in the White House one who puts the interest of the plain people above every political consideration, one who has remained continuously at his post of duty while others were building up their political fences, one who is free and independent and whose election was not financed by the tainted money of privilege-seeking interests, one who has never resorted to mud slinging and personalities and who has always conducted his campaigns on a high plane of respectability, one who does not use his high office as a means of financial enrichment for himself, his family, or friends, one who does not work through kitchen cabinets and underground passages, but always in the open, one whose honesty is above suspicion and who does not play secretly with the enemies of the people while pretending to be their friend.

In short, my friends, let us keep in the White House that great leader of the plain people, the Jefferson and Jackson of the twentieth century, our present and our future President, Franklin D. Roosevelt.

THE RIVERS AND HARBORS ACT OF 1935—THE MOST COMPREHENSIVE AND CONSTRUCTIVE WATERWAY LEGISLATION EVER ENACTED BY THE CONGRESS OF THE UNITED STATES

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech delivered by me at the National Rivers and Harbors Conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, under permission to extend my remarks in the RECORD, I include the following speech delivered by me before the National Rivers and Harbors Congress in Washington on Monday, April 27, 1936:

Mr. President and delegates to the National Rivers and Harbors Congress, it is a great privilege to have the opportunity again of addressing you on the subject of our great national assets, our rivers and harbors, and to invite your attention particularly to the comprehensive and constructive waterway program adopted by legislation since your last annual meeting. Our interest in this subject is one of long standing, extending in your case from your first convention in Baltimore in 1901, and in my case over a period of some 19 years as a member of the Committees on Flood Control and Rivers and Harbors of the House of Representatives, including 5 years as chairman of the Rivers and Harbors Committee.

Last year I traced briefly the history of the development of our national policy for improvement of rivers and harbors, emphasizing that this policy is the result of more than a century of carefully considered legislation. Our Nation-wide plans have been clearly and skillfully worked out, and it is for these that Congress provides appropriations. The waterway improvements that have been made possible through these appropriations play an important part in the daily life of every citizen. The average person may easily prove this to his own satisfaction by noting in the course of a day the large number of necessities and luxuries he might be forced to do without were it not for the development and improvement of water-borne transportation. It is hardly necessary to recount for you the many large American cities, both coastal and inland, that owe their growth and commercial development to the improvement of navigational facilities by the United States Government. Last year the Chief of Engineers told us that prior to 1928 the annual appropriation for the maintenance and improvement of our rivers and harbors had averaged from \$40,000,000 to \$50,000,000, and that in the 5 years preceding the National Industrial Recovery Act approximately \$400,000,000 were expended on rivers and harbors. Considerable amounts have since been made available from emergency relief funds.

The rate of growth of waterway improvement and development is now at an all-time maximum. The River and Harbor Act approved by the President on August 30, 1935, was the greatest piece of constructive legislation ever passed for such improvements. On this our first meeting since the passage of that act, I believe it appropriate to invite attention to some of its salient features.

The act of 1935 authorized 246 projects for improvement, having an aggregate cost to complete of over \$660,000,000. It legalized by congressional act a number of projects that had been commenced with emergency relief funds. In addition, the act authorized some 270 preliminary surveys and examinations, and section 6 of the act provided that the surveys authorized pursuant to section 1 of the River and Harbor Act of January 21, 1927, and House Document

No. 308 (69th Cong., 1st sess.) should be supplemented by such additional studies or investigations as the Chief of Engineers might find necessary to take into account important changes in economic factors as they occurred, as well as additional stream-flow records or other factual data.

A recapitulation of the projects adopted shows that 36 States are benefited directly with one or more projects located either wholly or partially within such States. It is safe to assume that the remaining 12 States derive a considerable measure of indirect benefits. In addition to the projects located within the continental United States, there are 11 in Alaska, 3 in Hawaii, and 4 in Puerto Rico. There has never before been a river and harbor act that has provided for such widespread and beneficial improvements over the entire country, extending from the Gulf to the Canadian border and from the Atlantic to the Pacific Oceans.

We have not the time to describe the merits of all the 246 projects adopted by the River and Harbor Act of 1935, so I will invite your attention to only a few of the most noteworthy ones.

Upon the North Atlantic coast there is the important Cape Cod Canal improvement. The old Cape Cod Canal was limited in its usefulness because of a depth preventing use by ships of more than 20 feet draft. The new project provides for dredging a sea-level canal 32 feet deep and 500 feet wide, with a harbor of refuge for small vessels. Traffic has been increasing through this waterway because it affords a protected route for coastwise shipping, which is 65 miles shorter than the route around the cape through the dangerous waters of Nantucket and Vineyard Sounds and 165 miles shorter than the open sea route around Nantucket Shoals. This project will effect large savings in transportation costs.

Further southward on the Atlantic coast we have the Delaware River-Chesapeake Bay Ship Canal. The new project provides for enlargement of the old barge canal, with a present depth of 12 feet, into a ship canal 27 feet deep and from 250 to 400 feet wide. This improvement will permit shipping to move directly from the Delaware River to Chesapeake Bay, thereby saving about 316 miles in the normal run between Baltimore and Philadelphia and about 179 miles between Baltimore and New York. The savings translated into money will represent large sums annually.

In addition to the above, the bill authorized a number of smaller projects on the Atlantic coast from Maine to Florida which are equally meritorious and productive of actual value to the public, although not so large individually.

A great many desirable improvements provided for in the bill are in the rapidly developing Gulf coastal area. These include the important improvements provided for at Tampa Harbor in Florida; the improvement and extension of the intracoastal waterway from the Apalachicola River to Pensacola Bay; and the improvement of the navigational facilities of the Warrior-Tombigbee River system in Alabama, which serves a vast hinterland in Alabama and Mississippi. Work provided for along the Gulf coast in Louisiana includes the improvement of six smaller waterways which connect with extensive agricultural regions, sea-food industries, and oil fields.

Along the reach of coast line lying in the great State of Texas we find a number of improvements which will materially aid the progress of that section. Among these is the Sabine-Neches waterway. This waterway affords ocean navigation to an important industrial region in eastern Texas and western Louisiana. Commerce, which is principally in petroleum and petroleum products to and from refineries on this waterway, has been steadily increasing from about 12,000,000 tons in 1921 to about 28,000,000 tons in 1933. The new project will provide ample depths so that oil tankers can be fully loaded to utilize their maximum capacities. Large savings will accrue from this improvement.

Other meritorious improvements are being made in Houston, Galveston, and Texas City to enlarge and improve the navigational facilities of these important ports. The project for the construction of groins to protect the Galveston sea wall from damage due to erosion is unique. This wall, constructed in part by the Government after the disaster at Galveston in 1900, was found to be in danger, and its protection by groins was considered essential in order that another hurricane might not find the wall undermined and ineffective to afford the necessary protection of that great commercial city.

The projects for the improvement of Freeport Harbor, Port Aransas, and of the channel from Aransas Pass to Corpus Christi were also included in the bill and should prove of great value to the west Texas coastal area.

Proceeding to a consideration of our inland waterways we find that several large improvements looking to the completion of our river transportation system have been authorized. Prominent among these is the project for 9-foot navigation on the upper Mississippi River between the mouth of the Missouri River and Minneapolis. Experience had demonstrated the impracticability under natural low-water flow conditions of obtaining and operating a 9-foot channel by dredging and regulation. The Board of Engineers for Rivers and Harbors therefore recommended canalization as the most feasible and economical method of attaining this end.

Construction of the necessary locks and dams for this project has been carried on with emergency relief appropriations, and the River and Harbor Act authorizes a continuation of this work. The execution of this great project has contributed materially to the relief of unemployment. It is a vital part of the final development of navigation on the Mississippi River system, and from it large savings in transportation costs will accrue to the people of the entire Mississippi Valley.

The Missouri River has been improved from its mouth to Kansas City by dredging and regulating works and is now open for 6-foot navigation throughout the year. Work on the Kansas City-Sioux City reach has been advanced to above Omaha. The navigable depths will be increased to provide an 8- to 9-foot channel when the water supply of the Fort Peck Reservoir becomes available. Work on this reservoir was pushed vigorously under emergency relief appropriations, and the project was adopted by Congress in the act of 1935. In an era noted for its great dams, the Fort Peck project on the Missouri River near Glasgow, Mont., takes rank with the largest. This dam forms a reservoir of 19,500,000 acre-feet capacity; a lake 185 miles long with an area of 245,000 acres. Incidental benefits which will result from the improvement of the Missouri River by the Fort Peck Dam are material and supplemental to the benefits of the improvement for navigation. The increased water supply from Fort Peck during the low-water season will make available additional water for municipal and industrial purposes, will decrease the pollution of the river, and the dam will practically eliminate flood damages along the upper Missouri River.

In the Ohio River Basin the last river and harbor act authorizes a number of projects which will prove of value to this highly industrialized region. Among these is the improvement of the Kanawha River, where modern 9-foot navigation is provided by the construction of two high dams, which will replace nine obsolete, low structures. These works will greatly improve operating conditions and the general usefulness of this important tributary of the Ohio system.

The network of inland waterways in the basin of the Mississippi and its tributaries would be incomplete without suitable connections with the basin of the Great Lakes. The Illinois River provides the final link in a Lakes-to-Gulf trunk waterway. Locks constructed under the old project are inadequate in size for present-day river transportation. New locks have now been authorized at La Grange and Peoria, which with some supplemental dredging will provide a modern 9-foot navigation channel. The prospective commerce on the Illinois River, after improvement, is large, and commensurate transportation savings will result in great benefits to the public. At the Great Lakes end of this waterway the authorized Calumet-Sag Channel in Illinois will provide for suitable terminal development.

In the Great Lakes Basin itself improvements have been authorized for some 44 lake harbors and for numerous channels. Improvements at these harbors consist generally of breakwaters and the widening and deepening of harbor channels to meet the needs of modern deep-draft lake navigation. These improvements are much needed and will affect large savings in transportation throughout the area from New York to Minnesota. The deepening of the Great Lakes connecting channels, which is being completed, is a most important feature of this work. Adequate depths will be provided for large lake freight carriers of 24-foot draft through all connecting channels, including St. Clair River and the Straits of Mackinac.

Another project of national importance is the Great Lakes-Hudson River waterway which has been handicapped by a limited depth of 12 feet as compared with 14 feet in the competitive Canadian channels and on the St. Lawrence River. The new work, which is being financed by the United States and executed under Federal control, provides for the improvement of that portion of the canal connecting Lake Ontario with the Hudson River by deepening between the locks to 14 feet and increasing overhead clearances to a minimum of 20 feet. The commerce on these canals has been steadily increasing and their improvement will provide adequate water transportation between the Lakes and the Atlantic seaboard at New York.

On the Pacific coast the River and Harbor Act of 1935 includes the improvement of nine important harbors in California as well as improvements in river and connecting channels. Federal navigation and flood-control projects are now underway on the Sacramento River. The flood-control project is about 70 percent complete. The last river and harbor act authorized Federal participation in the construction of a large dam at the Kennett site on the Sacramento River. This dam will directly benefit navigation by providing a steady and increased low water flow, and incidentally it will provide for the storage of flood waters, and will prevent the intrusion of salt water into the lower Sacramento.

A project in the Sacramento River Basin has been developed by the California Debris Commission and has been authorized subject to modifications which may be approved by the Chief of Engineers. It provides for the construction of restraining dams on the Yuba, Bear, and American Rivers. These works will prevent the entry of mining debris into the navigable channels below, and will prevent flooding of agricultural lands by reason of the choking of flood channels with mining debris. Works of this nature should permit the continuation of mining operations without menace to the usefulness of the natural waterways.

About 20 new projects which were found desirable along the North Pacific coast in Washington and Oregon, including works on the Columbia River, have been authorized. These are mostly improvements of harbors by breakwaters and channel deepening where such improvements seemed necessary to the development of commerce. One of the most conspicuous projects in the Pacific Northwest is the Bonneville Dam on the Columbia River. This dam, with navigation locks, is a part of the plan for the most effective improvement of the Columbia River for navigation, in combination with power development, flood control, and the needs of irrigation. The project was started with emergency relief funds and has now been authorized for completion by the River and Harbor Act of 1935.

Many causes induced the Thirteen Original States to change from a loose confederation, as it existed during and immediately subsequent to the Revolution, into a firmer and more perfect Union, but there was none, perhaps, so potent as the generally recognized necessity for better central governmental regulation and control of interstate trade and traffic (principally navigation at that time). This seems to have inspired the incipient measures, the first concerted movement, which resulted in the adoption of the present Constitution of the United States. At the city of Annapolis, in the month of September 1786, a meeting of commissioners appointed by some of the principal States was held "to take into consideration the trade and commerce of the United States; to consider how far a uniform system in their commercial intercourse and regulations might be necessary to their common interest and permanent harmony; and to report to the several States such an act relative to this great project as, when unanimously ratified by them, would enable the United States in Congress assembled effectually to provide for the same."

This meeting, which was attended by many able men including James Madison and Alexander Hamilton, without attempting any definite action, adopted an address to the States recommending a future convention with enlarged powers for forming a Constitution. As one of the reasons for this recommendation the commissioners say that "in the course of their reflections on the subject they have been induced to think that the power of regulating trade is of such comprehensive extent and will enter so far into the general system of the Federal Government that to give it efficacy and to obviate questions and doubts concerning its precise nature and limits, may require a correspondent adjustment of other parts of the Federal system." Out of this recommendation came the Constitution of the United States, and thus the great original and moving object of its establishment was to confer on the General Government the power to regulate commerce.

The Constitution of the United States confers upon Congress the power "To regulate commerce with foreign nations, and among the several States, and with the Indian tribes", and by this provision there was transferred from the States to the Federal Government the control of all the navigable waters of the Nation for the purpose of navigation. At first it was seriously doubted whether the power to regulate comprehended the right to improve—that is, whether the improvement of rivers and harbors was a subject of national concern and of constitutional appropriation. Mr. Madison as President in 1817 vetoed a bill for internal improvements, including, among other things, a waterway improvement. He stated in his message that the Constitution did not vest power in Congress for such purpose.

In May 1824, Congress passed the first distinct act to improve navigation, entitled "an act to improve the navigation of the Ohio and Mississippi Rivers." About this time the decision of Chief Justice Marshall in the case of *Gibbons v. Ogden*, established unquestionably the exclusive power of Congress with respect to the interstate waterways of the country, and removed completely the doubts of earlier years. This was the case referred to by General Markham, in his splendid address, as marking the birth of a permanent Federal policy of river and harbor improvement, a policy which has grown from year to year with the advance of population and the increasing needs of commercial transportation.

Gibbons v. Ogden was one of the most noted cases ever coming before the Supreme Court, not only on account of the great issue involved but also on account of the great prominence of all the persons concerned. Gibbons was ex-mayor of Savannah, Ga., and also maintained residence in New Jersey. He was locally and nationally prominent. Ogden had been Governor of New Jersey and United States Senator from that State, and both Gibbons and Ogden had been prominent in promoting navigation. The attorneys employed in the case were both nationally and internationally known. Gibbons was represented by Daniel Webster, and by William Wirt, then Attorney General of the United States, and famed as the prosecutor of Aaron Burr. Ogden was represented by Pinckney, of Maryland, and Thomas J. Oakley, attorney general of New York. He was also represented by Thomas A. Emmet, the great Irish patriot.

Gibbons and Ogden had been partners, but their partnership had ceased before the beginning of this litigation. Fulton and Livingston, who developed the *Clermont*, the first steamboat to be successfully navigated, had obtained from the State of New York the exclusive privilege of operating boats propelled by steam upon the navigable waters of that State. Ogden became the assignee of those gentlemen for this privilege and under it was operating boats between New York and Elizabethtown, N. J. Gibbons was also operating boats on the same waters under permit of the Federal Government. Ogden enjoined him from navigating his boats across the State line into the State of New York. This injunction was affirmed by the Supreme Court of New York. Gibbons carried the litigation into the Federal courts upon the ground that the law of New York, under which he was excluded, was in violation of the Constitution of the United States, in which the Federal Government was given full power over interstate commerce. Chief Justice Marshall sustained this plea in one of the most noted decisions ever emanating from that Court.

It may be of interest to note the condition in which shipping had been placed by the several States acting independently. While New York prohibited boats to enter her navigable waters without a permit under the sanction of the Fulton and Livingston privilege granted, neighboring States enacted retaliatory measures. Connecticut enacted a law prohibiting boats from entering the waters

of that State if they held such licenses from New York. By the law of New Jersey, if any citizen of that State should be restrained under the New York law, the courts of New Jersey would be given jurisdiction on action for damage, with treble costs against the party seeking such restraint. This was termed an "Act of retaliation against the illegal and oppressive legislation of New York." Other States had enacted somewhat similar retaliatory measures. From this it will be seen that commerce between the States would be impossible unless regulated by the Federal Government as provided in the Constitution. Chief Justice Marshall, in sustaining the Constitution of the United States in this decision, made interstate commerce possible and practicable.

During all the years prior to the River and Harbor Act of 1935, in which waterway improvements have been prosecuted by the Federal Government, the jurisdiction over these works was not assigned by statute to an executive department or agency. Each river and harbor bill authorized prosecution under the direction of the Secretary of War and the supervision of the Chief of Engineers without permanently establishing the jurisdiction of the War Department.

When the River and Harbor Act of 1935 was under consideration by the Commerce Committee of the Senate the question of the costs of public construction by the Army Engineers was brought up. The Chief of Engineers, in testifying before the Commerce Committee, submitted a series of tabulations, showing for a large number of jobs all over the United States, the range of bids, the Government estimates, the contract prices, the Government cost on the contracts, and the total cost of contracts. The summation of the figures showed that the total bids ranged from \$130,000,000 to \$175,000,000. The total Government estimate was \$147,000,000; contract price total was \$130,000,000; Government cost of inspection, supervision, etc., on contract was \$10,000,000, making the total cost by contract \$140,000,000. These figures clearly demonstrated the efficiency and economy which had always obtained in the construction of waterway improvements by the Army Engineers.

The Commerce Committee of the Senate decided that, in addition to authorizing specific investigations and construction by the Federal Government, permanent statutory authority should be given to the agency charged with these investigations and improvements. A clause was therefore added to the bill which makes the Corps of Engineers of the Army under the direction of the Secretary of War the statutory agency to execute and maintain river and harbor improvements by the Federal Government. This clause reads as follows:

"That hereafter Federal investigation and improvements of rivers, harbors, and other waterways shall be under the jurisdiction of and shall be prosecuted by the War Department under the direction of the Secretary of War and the supervision of the Chief of Engineers except as otherwise specifically provided by act of Congress."

The waterway investigations and improvements of the United States have been carried on for over 100 years in an exemplary manner by the Army Engineers of the War Department. No other activity of the Federal Government has been so efficiently and economically administered. Within the last 8 or 9 years practically all of the streams of the country have been surveyed and plans have been prepared by the War Department Engineers for their improvement for navigation, for flood control, for the development of hydroelectric power and for irrigation. The reports submitted to Congress are most thorough, and constitute a comprehensive plan for the development of these resources of the Nation over a long period of time. The War Department deserves great credit for this magnificent piece of planning.

In order that the investigations made and the plans prepared shall be kept up to date and ever ready for use, it was advisable that this activity should be assigned by act of Congress to the War Department. It is equally important that the prosecution of waterway improvements should be similarly placed under the jurisdiction of the War Department. These provisions were advisable in the interest of coordination and economy.

The long experience of the National Rivers and Harbors Congress makes it unnecessary for me to tell you that no body of men can render such unselfish and earnest devotion of service to the country as is given by the Engineers of the War Department. This service is the natural consequence of the education and training of these public servants. The group of men that have planned and prosecuted river and harbor improvements so well in the past includes civilian engineers of the highest types, and these are imbued with the spirit of the commissioned officers with whom they work, so that the organization as a whole works to the maximum advantage of the Government. The country is fortunate in having the wisdom to use the Army Engineer organization for the planning and prosecution of its waterway improvements, and no one knows better than the membership of the National Rivers and Harbors Congress that this public activity has properly been assigned by statute to be under the jurisdiction of the War Department.

During the depression and emergency caused by depression, public works were carried on with lump-sum appropriations allocated by the President. We all know how well the Chief Executive provided for the continuation of water improvements so as to avoid interruption of the general plans and policies established by Congress. After the depression Congress assumed its duties with respect to waterway improvements and passed the most comprehensive and constructive waterway legislation ever enacted by the Congress of the United States, viz, the River and Harbor Act of 1935. In the War Department appropriation bill now nearing its

legislative consummation, funds are provided for prosecuting the improvements authorized in last year's river and harbor bill. I am gratified to be able to thus assure this National Rivers and Harbors Congress that proper progress in carrying on our national program for waterway improvements is now a practical accomplishment.

P. W. A. WATERWORKS PROGRAM AID TO RECOVERY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Public Works Administration's waterworks program and also to extend my remarks in the RECORD in connection with the death of our late colleague, Hon. Stephen A. Rudd.

The SPEAKER. Is there objection to the requests of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, the Public Works Administration has made possible construction of approximately 2,000 waterworks and related projects in cities and towns of every 1 of the 48 States.

It devoted 25 percent of its non-Federal program to this form of public improvement:

First. To reduce unemployment both in the community and in heavy industries—the twofold universal P. W. A. objective.

Second. To furnish pure water to promote public health.

Third. To reduce fire-insurance rates and hazards.

Fourth. To provide for community growth and expansion and thus strengthen real property values to broaden the base for future taxation.

Now nearly all communities in the United States of more than 10,000 population have "satisfactory" water systems; a majority of more than 5,000 have similar systems due to this 2½-year transformation.

This transition in American waterworks was first inspired in June 1933 when Public Works Administration instilled confidence by offering encouragement in the way of loans and grants to villages, cities, counties, and States to increase and purify water supplies.

Throughout every State of the Union there developed comparatively quickly a multitude of new or renovated filtration plants, softening plants, reservoirs, distribution piping systems, intakes, dams, elevated tower storage tanks, sewage systems, disposal plants, power plants, and like useful enterprises up to the erection and installation of complete up-to-minute water systems.

Exact segregation of waterworks projects from other P. W. A. projects is difficult, but the Bureau of Economics and Statistics of P. W. A. estimates as a basis of calculation that 1,696 allotments, totaling \$169,631,820, were made for the construction of strictly related waterworks projects, this figure including both loans and grants. It is estimated by P. W. A.'s engineering division that the total amount of construction thus made possible, including the share furnished by the community's financing efforts, reached the sum of \$247,000,000.

Exhibit "A", attached, covers allotments by States for waterworks and immediately related projects.

COMMUNITIES SPRING TO LIFE

This P. W. A. outlay of public investment in waterworks improvements and other worth-while activities in the first place remedied a most lamentable condition. In the latter twenties and the early thirties forward-thinking mayors, councilmen, and civic leaders were stopped cold by the inescapable fact that private capital was unwilling to invest in non-Federal governmental projects, hence no waterworks improvements. Communities attracted by the promise of 30-percent grant under the original program and 45-percent grant under the subsequent one entered 22,000 applications without pressure entirely of their own volition for all types of non-Federal projects, including not only waterworks but sewers, schools, auditoriums, courthouses, city halls, swimming pools, power plants, and so on. A total of \$7,425,000,000 in loans and grants was asked. Of this number, 8,000 were accepted, representing \$607,386,000 in Federal grants, and \$1,333,663,000 either through private or P. W. A. financing, thus making a total of \$1,941,650,000. Of these

8,000 approved applications, approximately one-fourth, or 2,000, were related to waterworks operations for a total outlay, including both P. W. A. and private financing, of an estimated \$300,000,000.

COMMUNITY HEALTH SAFEGUARDED

This P. W. A. outlay of public investment in waterworks improvement in the second place aided in insuring communities against repetitions of the experience of an Ohio city in 1920 when 25 citizens died and 86 others suffered the tortures of typhoid fever before it was discovered seepage from a sewer pipe flowed into drinking water through an ancient defective section of a gravity main. Another illustration of the danger of neglect was found in a little town in South Dakota when a chlorination plant, after not being inspected for 5 years, failed to function and a number of citizens became ill and some died. Numerous other illustrations might be cited.

EMPLOYMENT FURNISHED ON SOUND BASIS

This P. W. A. outlay of public investment in waterworks improvement, as well as in other departments of its program, in the third place, adhered closely to the before-mentioned double major objective:

First. To put men to work in local communities.

Second. To furnish maximum reemployment possible within the heavy industries.

The construction program was of great advantage because it made possible work for contractors and their supervisory staffs. It permitted the utilization of construction equipment which would otherwise have continued idle, with losses to the owners due to depreciation and carrying charges. It also furnished work for manufacturers of equipment and supplies; and it bolstered activity in the engineering and architectural professions.

It was written in ordinary agreements between P. W. A. and the community that 90 percent of the labor should be done by the unemployed from the relief rolls within the jurisdiction of the applicant except by special exemption.

In this manner 496,483 men, on an average, were given employment on P. W. A. sites during 1934 and 284,297 during 1935, a total of 10,707,311 man-months to the end of January 1935, including waterworks and all other types of P. W. A. construction. To these workers went \$852,324,699 in wages.

For every dollar spent on the site, however, P. W. A. statisticians estimate that approximately \$2.20 was spent "behind the lines." In other words, the work on the Federal project at Fort Peck Dam, in Montana, was done by workmen in that vicinity; but great quantities of heavy equipment were brought to the dam from distant points.

In cities such as Chicago and Pittsburgh, other additional workmen were added to the pay rolls to fabricate great scoops, shovels, concrete-dropping buckets, and similar equipment. Up to March 1, \$1,240,229,337 was spent for materials and \$129,916,127 for other purposes, the largest part of the first amount going into the pocket of the wage earner who either makes available the raw material or fabricates it. More than 60 percent of the Public Works money spent up to March 1 has gone for material manufacture. Exhibit B, attached, shows scope of materials in P. W. A. program.

Approximately \$2,000,000,000 worth of stone, steel, cement, lumber, and hundreds of other types of building materials will be required to complete the 24,000 projects now on P. W. A. books. The 24,000 projects include the 8,000 non-Federal under discussion and an additional 15,000 or more Federal projects for which the P. W. A. allotted all the money. A total of \$1,223,500,000 was spent for materials up to February 1. These expenditures were a major factor in reviving the heavy industries where unemployment was greater than anywhere else during the depression.

Reports from the Bureau of Labor Statistics of the Department of Labor as of the end of 1935, show that \$581,629,000 worth of iron and steel products, including machinery and transportation equipment, have been purchased for improvements.

Industries furnishing cement, brick, stone, glass, sand, gravel, and similar materials for W. P. A. jobs had received orders amounting to \$328,566,000, while more than \$59,000,000 worth of lumber and forest products were purchased in that period.

The chemical industry, which embraces manufacture of explosives for blasting on P. W. A. jobs, has had orders for \$9,714,000 worth of materials. Even the textile industry participated in the indirect employment benefits of the W. P. A. program, with orders for nearly \$1,500,000.

Factories require lumber from the forests, coal and iron from the mines, and an endless number of other raw materials with which to manufacture the many hundreds of machines and instruments needed in the P. W. A. program.

INDIRECT EMPLOYMENT EXCEEDS DIRECT

Expenditures for materials used on P. W. A. construction sites have put more money into the pockets of hundreds of thousands of men employed in the mines, mills, and factories in every section of the country.

These reemployed workmen, both on and off site, with money jingling in their pockets for the first time in months, were able to resume their normal activities in their communities. They bought food, clothing, automobiles, and other necessities to the extent that they increased the demand for consumers' goods until an additional estimated 21,414,622 man-months of labor were furnished in factories producing and distributing this type of merchandise.

All in all, during 1934-35, 42,828,244 man-months of labor were created. Statisticians estimate that before the P. W. A. program is completed a total of 71,500,000 man-months of labor will have been created.

The term "man-months" may be confusing. It is a technical reference to the estimated amount of labor which will be furnished by the whole program. As an example, "on site" employment for the program will total 17,775,000 man-months.

If the whole program were to start tomorrow and to run simultaneously for 1 month, a total of workers at least equal to the site-employment total would be employed during the month in factories, at the mines, in the forests, or on the transporting railroads. Add the two figures and the number of so-called "secondary indirect" or "consumer goods" labor created can be approximated.

P. W. A.'s program, however, has not been confined to a single month nor a single year. The work has been steady. As of April 1, 71.25 percent of the program was completed, leaving 28.75 percent still under construction. This will continue to furnish wages until private industry upon its own account may absorb the unemployed.

Nor may the heavy industries say past expenditures have not helped. Industrial production for the whole United States during the 3-year period ending last December showed an increase of 56 percent. Steel-ingot production over that same period showed an increase of 265 percent. Automobile production increased 110 percent. Construction contracts increased 226 percent; the volume of check payments increased 33 percent. The bases for these calculations are statistics furnished by the Federal Reserve.

WATERWORKS PROGRAM HELPED RECOVERY

For those reasons it is easy to understand that the waterworks engineering industry, even while benefiting greatly from the P. W. A. program, did its share in the recovery. It is of no small moment that 25 percent or more of all the 8,000 non-Federal projects were of benefit to the industry.

In all this vast operation P. W. A. lent Federal funds only on unquestioned security. Legally permitted to sell bonds covering these loans P. W. A. has been doing so at a profit, the present total being in excess of \$7,000,000. In one instance the bankers who had originally turned down the bond issue were the buyers. Money and profit go into a revolving fund from which P. W. A. may purchase additional municipal bonds.

In all this vast operation P. W. A. exerted the strictest supervision to guarantee that not a cent went amiss, that there can be no graft nor kick-backs in pay. It also

aided the contractor in determining that the materials he purchased were of precisely the specified quality. The result of this minute supervision, especially where it pertained to the waterworks industry, was that it provided municipalities and other governmental agencies with improved local conditions as the newly built facilities became of lasting benefit.

P. W. A.'s funds have been exhausted. Administrator Harold L. Ickes has reported that there remained in April on P. W. A.'s files 6,204 additional applications asking \$890,044,000 in grants and \$1,044,709,000 in loans. These loans and grants totaling \$1,934,754,000 would make possible construction estimated to cost a total of \$2,347,690,000.

State	Number	Allotment
Alabama	36	\$4,774,597
Arizona	10	1,270,468
Arkansas	64	11,782,276
California	50	17,908,197
Colorado	30	7,074,685
Connecticut	4	442,825
Delaware	2	124,000
District of Columbia	0	
Florida	29	3,021,776
Georgia	46	1,080,810
Idaho	26	1,018,860
Illinois	135	9,690,994
Indiana	33	2,009,317
Iowa	46	1,308,970
Kansas	46	1,405,828
Kentucky	47	2,576,073
Louisiana	12	3,524,200
Maine	3	64,867
Maryland	15	3,736,772
Massachusetts	49	2,776,751
Michigan	21	1,484,013
Minnesota	45	753,939
Mississippi	13	358,490
Missouri	35	1,538,608
Montana	24	2,738,481
Nebraska	44	10,568,842
Nevada	5	328,500
New Hampshire	13	412,011
New Jersey	21	1,646,856
New York	61	6,756,465
North Carolina	49	4,083,286
North Dakota	8	313,449
Ohio	109	8,429,154
Oklahoma	36	2,847,331
Oregon	29	833,505
Pennsylvania	27	2,126,334
Rhode Island	12	910,100
South Carolina	42	8,999,917
South Dakota	21	1,104,653
Tennessee	35	2,792,807
Texas	128	17,831,987
Utah	53	1,966,737
Vermont	9	251,341
Virginia	39	2,849,085
Washington	23	2,591,675
West Virginia	46	2,013,316
Wisconsin	25	3,976,484
Wyoming	7	1,647,442
Alaska	3	157,909
Hawaii	6	744,355
Virgin Islands	1	20,000
Puerto Rico	3	543,200
Total	1,696	169,631,820

The scope of the materials required in P. W. A.'s program of building and repairing waterworks and kindred projects may be judged by a list of the products required from factories often far distant from the site itself. A partial list of these products follows:

Air-conditioning; bearings; blowers; boilers; brass; brick; bridges; cable; castings; cabinets; casements; ceilings; cement; chemicals; chlorinators; clay products; compressors; condensers; contractor's equipment; copper products; copper water tubes; and cranes.

Diesel engines; doors; drainage products; drag lines; drills; dynamite; electric control apparatus; electrical equipment; elevator equipment; engines, stationary gasoline; engines, steam; excavators; expansion joint compound; fans; fences; filters; fire-protection specialties; flooring, composition; flooring, wood, various types; furnaces; furniture, school, theater, office.

Gas equipment; glass; gravel grilles; gunite; hardware; heating equipment; hemp; hoists; hydrants; incinerators; ice machinery; instruments; insulation; iron castings; jute; kitchen equipment; labor; laboratory equipment; lead; lighting equipment; lime; linoleum; lockers; and lumber.

Machinery; mesh reinforcing; metal laths; meters, gas and water; millwork; miscellaneous—hardware, and so forth; oakum, paint, and varnish; partitions; piling; pipe, all types; pipe-bending machines; pipe couplings; pipe tools, plastering; plate; steel; plumbing; power-plant equipment; protective coatings; pumps.

Radiators; railroad equipment; refrigeration; reinforcing bars; road-construction equipment; rock drills; roofing materials; rubber cable; sand; sash; sewage equipment; shafting; sharpeners; shingles, composition; shovels; solder lead joint; steel; stoves; swimming-pool equipment; tanks; thermometers; tile; tools; towers; tractors; trim—doors, windows, and so forth; trench excavators; tubing, copper; and turbines.

Unloading equipment; valves; ventilating equipment; water-control apparatus; water heaters; water and sewer manholes; waterproofing materials; water treatment; waterworks equipment; well equipment; welding equipment and supplies; windows; wire and nails; wood, lumber and timber; and woodwork.

ADDRESS OF THE POSTMASTER GENERAL

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Postmaster General Farley at the State postmasters' convention held in West Virginia last Wednesday.

Mr. RICH. Mr. Speaker, reserving the right to object, is Mr. Farley going to continue to be Postmaster General until after the next election and also continue as chairman of the Democratic National Committee? [Laughter and applause.]

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SMITH of West Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by Hon. James A. Farley, Postmaster General, at the annual convention of the West Virginia Chapter of the National Association of Postmasters in the Daniel Boone Hotel, Charleston, W. Va., April 22, 1936:

I am indebted to you postmasters of West Virginia for having this opportunity to meet with you in your annual convention, and I am honored by being asked to convey to you the greetings and best wishes of the President of the United States, who maintains an active interest in the Postal Service. I derive a special pleasure from meeting with those engaged in the work of the Postal Service, and whenever possible I accept invitations to meetings like this.

West Virginia is the only State in the Union which I have not heretofore visited. I have received a number of previous invitations to attend postal and other gatherings in this State, but unfortunately, these gatherings occurred at times when I had previous engagements or I was not in position to leave my duties at the Department in Washington.

Therefore I am happy that I have been able to come to Charleston, which is one of the most substantial cities in this country, and one which has shown a remarkable and consistent growth. I note from reports of the Census Bureau that the population of this city has grown from 22,996 in 1910 to 60,406 in 1930, and, I am informed, that since 1930 the population has maintained its percentage of increase.

An examination of the records of postal receipts at Charleston shows that in 1910 they amounted to \$115,578 and that in 1935 they were \$617,731. These figures provide indisputable evidence of the splendid progress of this city. In this State the postal revenues for March 1936, were 7 percent above those for the same month last year.

Conventions like this of the men and women who perform important functions in the operation of our Postal Service are of great value. They bring out new ideas; they give to the Department a better knowledge of the needs of the Service, and those participating learn more of the plans of the Post Office Department and its responsibilities to the public.

We can now look back over 3 years of successful postal administration. I can say with pardonable pride that we have demonstrated that a Government organization, which is the greatest public utility in the world, can be conducted in a businesslike manner with due regard to the public interest and to the employee's welfare and without waste or extravagance.

It costs approximately \$700,000,000 a year to operate the Postal Service, and approximately \$4,000 is paid into our post offices each minute of every business day by thousands who use these facilities. Last year we handled over 22,000,000,000 pieces of mail matter.

It is interesting to note that because of improper addresses and other mistakes on the part of the public more than 400 pieces of this vast amount of mail go to the dead-letter office ever 5 minutes

of every business day. We handle approximately 214,000,000 money orders and 55,000,000 registered articles a year.

Postmasters have contributed in no small degree to improvements in the Postal Service. Their alertness and their sense of responsibility have been an important factor in earning the good will of the public which the Department enjoys.

The last annual convention of the National Association of Postmasters was held in Chicago in September. I was given the privilege of addressing this convention, and in my address I sought to outline the policies of the Department and some of the things accomplished under these policies. I want to repeat to you a few paragraphs from that address:

"When I was given charge of the Post Office Department I firmly resolved that its affairs would be handled in a businesslike manner; that the public would be promptly and efficiently served; that the employees would receive fair treatment, and that, insofar as it was possible of accomplishment, the Department would live within its income. Thanks to the loyal cooperation and assistance of my official staff in Washington and the faithfulness of the postmasters and postal employees, I am pleased to report that much has been accomplished in the improvement of service and in the betterment of conditions of the personnel.

"At the outset we were confronted with a diminishing mail volume, decreasing postal revenues, and an excess of personnel such as had never before existed in the history of the Department. Surveys were made which resulted in the discovery of the amazing condition that there were approximately 15,000 more people on the rolls of the Department than were needed. Something had to be done about it. Obviously but two courses were open for me to follow. One was the easy way of arbitrarily dropping from the Service those last appointed, thereby depriving them of a means of livelihood for themselves and their families. Such action, if taken, would have been entirely within the law and in accordance with practices that had been followed in the Post Office and in other departments in the past. The other course, which I adopted, was to spread employment during the emergency by means of furloughs and by retiring those who had grown old in the service, whose efficiency was impaired, and who had earned the right to an annuity. I have had no occasion to regret the decision made to follow the more humane course, and I am confident that all postmasters and all postal employees were glad to do their part.

"Early in 1934 there began a decided upturn in the business of the Department, and therefore furloughs were discontinued, salaries were restored, and additional benefits were provided for the workers in the Postal Service. When it seemed proper to do so, and in keeping with policies of efficient management, I recommended to the Congress, and secured approval for, the restoration of administrative and automatic promotions. A generous policy has been followed in granting such promotions. This has caused an additional expenditure of several millions of dollars, and it is worth it. Following this same general principle, and in keeping with the objectives of the President in spreading employment, on July 3, 1935, I gave my approval to the 40-hour-week bill, which is but one of the many progressive accomplishments of the Roosevelt administration.

"This measure was approved just as soon as I was satisfied that the increase in postal revenues was sufficient to care for all reasonable service requirements. In the administration of this new law it is my wish that the postmasters and supervisory officials in the field service exercise careful supervision. I want no waste of public money, and, above all, I want no impairment of existing postal service.

"I do feel, however, that those of you who are charged with the responsibility of managing the post offices will find it possible, to a large extent, to grant the employees what was obviously intended by the law—a 5-day week. Efficient service must be continued, and, of course, we are not going to close the post offices on Saturday or any other weekday, but I do want to urge you to do everything you can properly do to give the employees the full benefit of the shorter workweek."

The 40-hour law has largely solved what was a very acute substitute problem. Before its passage we had a great number of substitutes who had for years waited in vain for a regular job. These substitutes have in most instances obtained regular jobs, and regular positions have been provided for many others who were unemployed.

I was greatly concerned over the plight in which I found the substitutes when I became Postmaster General. Very few of them were obtaining sufficient employment to meet bare living expenses for themselves and their families, and yet they continued loyal to the service. I have heretofore expressed my appreciation for their loyalty in the face of distressing conditions, and I here take occasion to reiterate my appreciation. Nothing has given me more happiness and satisfaction than the relief which has come to these faithful employees.

That the Post Office Department is conducted efficiently is evidenced by the fact that during the recent tornadoes and floods business was carried on without serious interruption, except in a very few instances and then only for a brief time.

The confidence of the people in the Postal Service was indicated by the fact that more than 700 special-delivery letters were delivered to the people of Johnstown, Pa., and more than 85 bags of mail were collected from street letter boxes immediately after the flood waters in that city had receded.

The public has learned to know that the mails will go through and that the service will not fail them in times of stress and trouble.

Under acts of Congress the Post Office Department performs many services which are not of a postal nature and many services for which it receives no pay or only nominal pay: It is required to administer the subsidies for the maintenance of an American merchant marine and for the promotion of American aviation; it carries without charge reading matter for the blind and the mail of Congressmen and Senators, as well as of all Government departments. Quarters are provided in post-office buildings for other Government departments for which the Post Office Department receives no pay. Preferential rates are given newspapers and many are carried free within the county of publication.

The Post Office Department conducts the largest noncompetitive banking institution in this country—the Postal Savings System, which has nearly 2,600,000 depositors with approximately \$1,214,000,000 on deposit at 8,111 post offices, including stations. This is the largest amount on deposit in the history of the System. These funds are redeposited with qualified banks or invested in United States bonds in accordance with the Postal Savings Act.

Under an amendment to the second Liberty Bond Act, approved February 4, 1935, the Post Office Department on March 1, 1935, placed on sale United States savings bonds at all Presidential post offices and a few selected fourth-class post offices—more than 14,000 in all. Since that day 800 additional fourth-class offices have been designated to sell such bonds. These bonds, popularly known as "baby bonds", were designed for the small investor. Since March 1, 1935, the Department has sold nearly 1,300,000 United States savings bonds, with a total face value of more than \$400,000,000.

The Department is now actively engaged in making the necessary arrangements for the payment of veterans' adjusted-service bonds, which may be surrendered for payment at all post offices, beginning on June 15.

Business throughout the country is steadily improving. Even a casual reading of the daily newspapers reveals that fact and the increasing volume of postal receipts confirms it.

Because of their intimate relationship to the interests of the people, postal receipts are very sensitive to changing business conditions. For that reason the volume of matter coming into the mails, as shown by postal receipts, has long been regarded as a most reliable indication of general business conditions. Postal receipts of all kinds at 50 representative post offices, including the very largest offices, were approximately \$28,900,000 for the month of March 1936, as compared with approximately \$27,000,313 for the same month of 1935, an increase of 5.59 percent; at 50 other post offices located in industrial regions, the increase was 8.83 percent.

This upward swing in business conditions is also reflected in the increased mailings of newspapers and other publications. The total weight for the quarter ending December 31, 1935, was nearly 302,800,000 pounds, as compared with nearly 280,000,000 pounds for the same quarter in 1934, an increase of 8.13 percent.

The most convincing evidence that business concerns are experiencing a decided improvement is the marked increase in the volume of advertising carried in newspapers and periodicals mailed as second-class matter, there being nearly 92,000,000 pounds for the December 1935 quarter as against nearly 83,000,000 pounds for the same period of the previous year. The increase for the December 1935 quarter over the same period of the previous year was nearly 11 percent.

Postal revenues for the 8 months of this fiscal year—from July 1 to February 29, 1936—amounted to approximately \$27,000,000 more than the same period of last year. This is an increase of more than 6 percent.

While postal receipts are one of the best barometers of business conditions, we have plenty of additional evidence. This additional evidence is found in increased bank deposits, increased car loadings, increased capitalization of industries, increased earnings, higher dividends and better commodity prices. This trend, which began more than 2 years ago, is, in my opinion, certain to continue and with an accelerated pace.

Under the present administration several hundred new post-office buildings have been erected. These buildings have been apportioned to the various States and congressional districts. The Post Office Department is working with the Treasury Department in the carrying out of public-building projects provided under allotments by the Public Works Administration and by congressional authorization.

The act of June 19, 1934, authorized the expenditure of \$65,000,000 for public-building construction at places to be selected by the Secretary of the Treasury and the Postmaster General. Three hundred and sixty-one projects were selected for consideration under this authorization. At present 59 of these projects have been completed and 224 have been placed under contract and are now in course of construction. In 13 cases bids have been opened or have been invited. In the remaining cases under the \$65,000,000 program, comprising less than 20 percent of the total in number, plans are well under way and it is believed that it will be possible to ask for construction bids in the immediate future.

Under the act of August 12, 1935, 354 building projects were set up. This program has progressed to the extent that it is expected 90 percent of the projects will be under contract within the next few weeks. Already sites have been selected in 286 of the cases where the acquisition of land was necessary. Contracts have been awarded in 15 cases and in practically all of the remaining cases plans are nearing completion.

During the past 2½ years all of our mail transportation services have been surveyed and to a large extent reorganized. Included in these transportation services are railway mail, ocean mail, domes-

tic air mail, foreign air mail, rural mail, and star routes. In the Railway Mail Service much excess car space has been eliminated.

The domestic air-mail system has been entirely reconstructed and is the most efficient air-mail service in the world. More miles are flown daily on regular schedules and more cities are served than at any time since the domestic air-mail system was established. The schedules are faster, the equipment the latest and best and the cost for this vastly improved service is much less than the cost for the previous inferior service.

Our foreign air-mail system has been revised and rearranged, providing for better equipment, faster schedules, and reduced costs. Last October we let a contract for trans-Pacific service between the United States and China. It is our expectation that within the next year or two we will have a trans-Atlantic service between the United States and Europe. Our foreign air-mail system, like our domestic air-mail service, is the finest and most extensive in the world. These foreign routes encircle both South and Central America, serving the various countries in both. It also embraces routes to Cuba, to Mexico, and to Canada. Modern air-mail service has been provided among the islands of the Hawaiian group, and improvements have been made in the Alaskan air-mail service, with further expansion of these services in the territory planned.

The Department is now engaged in effecting economies and improvements in the ocean-mail service and much has been accomplished in improving the rural mail service and effecting a substantial saving in its operation.

Whatever success has been achieved in providing a better postal service for the people of our country is mainly due to the earnest efforts and loyalty of those who make up our great organization, and in conclusion I wish to thank you and the other postmasters of the United States and all postal employees for the fine contributions you and they have made to the service.

THE WAGNER-ELLENBOGEN BILL FOR LOW-RENT HOUSING AND SLUM CLEARANCE IS NEEDED TO ASSURE FURTHER SUBSTANTIAL RECOVERY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that our colleague the gentleman from Pennsylvania [Mr. ELLENBOGEN] may have the right to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, about five and one-half million people have been reemployed in the United States since March 1933, but about ten million people are still unemployed. How does that come about and what can we do to reduce substantially the number of these jobless? These are questions that have been put to me many times during the last few months.

The consumer-goods industries—that is, goods bought for immediate use—have had a surprisingly extensive recovery. Even the heavy-goods industries have made substantial recovery and seem to be progressing rapidly. Steel, for instance, is now operating at between 65 and 70 percent of its theoretical capacity.

One industry is lagging behind—lagging behind so far that it cannot even be seen in the recovery parade. That industry is the building industry. If you keep in mind that this industry employs directly 1,000,000 people, and indirectly about three additional millions, a total of 4,000,000 people, you will find one of the answers to the question of why we still have 10,000,000 unemployed.

In 1927, according to the reliable statistical figures of the F. W. Dodge Co., the value of all construction contracts amounted to \$6,603,000,000. In 1935 these construction contracts amounted to only \$1,845,000,000—a decrease of 71 percent. These figures tell the story.

There can be no further substantial recovery unless there is a revival of the construction industry; and there can be no revival of the building industry unless we engage upon a large-scale program of the construction of homes. A program sponsored by the Federal Government to stimulate the construction of low-cost housing, and to increase home-building activities, is therefore not only socially desirable but economically imperative if we are to have further recovery.

THERE IS AN ACUTE SHORTAGE OF DECENT HOUSES

There is today an acute shortage of decent houses. Those of you who have been looking for a house during this moving season have had personal experience. You have acquired a personal knowledge of the scarcity of desirable houses at a rental in fair proportion to your income. This is especially

true of families with low incomes, where the largest share of the annual income must go for food, for clothing, and for the other necessities of life. Families of moderate income have little left with which to meet the high rentals which are demanded for decent, sanitary homes.

Adequate, decent housing—safe and sanitary homes—are a fundamental need of our people. The problem of housing has been neglected too long. The people cry out for decent and sanitary homes. Further recovery demands a revival and stabilization of the building industry at a higher level.

The Wagner-Ellenbogen housing bill is the solution of that problem; it is the bill that will meet the demands of families of low incomes. This bill has been introduced in the Senate by Senator WAGNER, of New York, and in the House of Representatives by me.

FIVE MILLION FAMILIES HAVE DOUBLED UP

Several millions of new homes are needed immediately to provide only a minimum of decency and privacy for American families. At least 5,000,000 families have doubled up since the depression started. Vacancies are few and are utterly insufficient to meet the demand. An acute housing shortage is rapidly developing.

BUILDING-TRADES WORKERS ARE AVAILABLE TO CONSTRUCT THE NEEDED HOMES

And here is the tragedy of it all: Millions of decent homes are needed. The building-trades workers who would build them are available, but they live, or rather exist, in enforced idleness. Carpenters, bricklayers, electricians, mechanics, and other skilled workers look for jobs in vain.

Four million people depend directly or indirectly on the building industry. Plants supplying materials are idle; warehouses and lumber yards are bulging with needed materials. Millions of families live in slums or blighted areas, but nothing is done, nothing is done to give employment, to give construction activities and to provide safe and sanitary homes that are greatly needed.

The Wagner-Ellenbogen housing bill is designed to supply the spark that will launch a gigantic construction program.

UNSANITARY HOMES ABOUND IN PITTSBURGH DISTRICT

The Bureau of Business Research of the University of Pittsburgh made a careful survey recently and found these astounding facts about housing in Pittsburgh.

First. There are more than three times as many families "doubled up" as there are vacant dwellings.

Second. One out of every four homes in Pittsburgh has no running hot water.

Third. One out of every four homes has no bath.

Fourth. One-half of all the homes in Pittsburgh have no proper heating facilities.

Fifth. One out of every eight has no indoor toilet facilities.

This survey was made before the flood.

More than 10,000 homes in Allegheny County have been destroyed by the flood or have been rendered uninhabitable by it.

THE TERRIBLE COST OF SLUM AREAS

If you go into the slums of New York, Chicago, Cleveland, Pittsburgh, and other large cities in the United States, you will be appalled by the sordid conditions of squalor and poverty. These slums are breeders of crime and disease and a tremendous expense and burden to every municipality that tolerates them. Here is just one example:

It costs Chicago \$3,200,000 a year to supply such municipal services as police and fire protection, street lighting, sewerage facilities, and so forth, but it receives only \$300,000 in taxes from the same slum area. That means that the tax revenue is only one-sixth of the actual cost of the municipal services rendered. It means that it costs the city of Chicago \$2,900,000 to maintain this particular slum area.

Slums are not only a shame and disgrace in a Nation as wealthy as the United States but they are an economic burden and an impediment to social progress. The United States is the wealthiest nation in the world. We are rich not only in natural resources but we have the best human material available on the globe. Our people are intelligent,

inventive, and enterprising. There is no legitimate reason why we should not have adequate and decent housing for everyone. Poverty-stricken Europe has built at least 7,000,000 new homes with government aid, whereas the wealthy United States has hardly scratched the surface.

HOUSING ACTIVITIES REDUCE UNEMPLOYMENT

Moreover, many economists claim that the public housing activities in Europe have been the most important single factor in fighting unemployment over there. Why cannot we do the same here?

Just to give you a few more figures at this time—590,000 building-trades workers whose occupation is direct employment on the construction site are unemployed. Of those, 232,000 are on relief. It costs us \$167,000,000 to maintain those on relief every year and many, many more millions to maintain those not on relief. Would it not be better, would it not be wiser, would it not be more sensible, to spend these \$167,000,000 for the construction of homes for families of low income? Would it not be better to give employment to the workers in this manner and to build decent homes? Of course it would.

NEED FOR PASSAGE OF THE WAGNER-ELLENBOGEN BILL

I hope that this Congress will pass the Wagner-Ellenbogen housing bill. There is not one single, honest, or valid objection that could be maintained against it. It will give employment to large numbers of jobless. It will provide the necessary push for further and perhaps complete recovery. It will aid in the clearance of slums and the elimination of crime and disease. It will establish a cleaner and more healthy atmosphere for the mothers of America to watch over their children. It will give to the children of America the opportunity to grow to a happier, a healthier, and more promising maturity.

PRICE CONTROL BILLS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I made as part of a radio debate with Senator LOGAN, of Kentucky, over station WOR, Mutual broadcasting chain, Sunday, April 26, 1936, as follows:

I am going to address you tonight as consumers, for it is as consumers that you are primarily interested in the Patman price-control bills. For if these bills get by the Congress they are going to affect prices, and therefore your pocketbooks. You—the consumers—beware.

Some decades ago Commodore Vanderbilt coined the phrase, "the public be damned." The authors and sponsors of the so-called Robinson-Patman price-discrimination bills or price-control bills say, in effect, the consumer be damned. Otherwise they would not levy upon you, the consumer, a hidden tax under the guise of equalizing opportunity among storekeepers and wholesalers.

There should be, as a matter of fact, a Federal department to look after your interests, a department of the consumer, just as there is a Department of Labor and of Commerce and of Agriculture, but until there is one your only recourse is to write your Congressman and your Senators. That you should do at once in connection with these Robinson-Patman bills. There are two, one before the Senate and one reported to the House—one is worse in some ways, the other in others—but both are bad enough when it comes to your interests, as you can imagine when I tell you one was written by a lawyer for a group of wholesalers and the other is merely a recasting of his handiwork—he wrote the bills before N. R. A. went out, to replace the grocery price-control code in case N. R. A. ever folded up. So I will just call them both the Robinson-Patman bill and refer to the House or Senate version when necessary.

Let's see how this bill, which really should be christened "the code-replacing bill", goes about prying into your pocketbooks. First of all, without giving you any representation in the matter or protecting labor through hour and wage provisions, it repeats some of the more vicious features of the N. R. A. which the Supreme Court declared unconstitutional. It seeks to revive price fixing, which was the keystone of most of the N. R. A. codes, by practically prohibiting price differentials except under very rigid restrictions and limitations. It would prevent economically sound "quantity discounts" on large purchases. It would establish arbitrary classifications of buyers instead of classifications based upon efficiency and economy in serving you. It would, in a word, throttle competition. Senator LOGAN and his followers disclaim

these effects, but their denials are as ineffectual as snow falling upon an iceberg, for the official record proves to the contrary.

President Roosevelt has not sponsored this measure. It is not, therefore, an administration bill. The President, moreover, in a public statement recently said that "the recovery program recognizes and accepts the principle that continued prosperity is contingent to a large degree on increased efficiency in moving the essentials of life from the producer to the consumer * * *. Great progress * * * has been made in the field of production * * *." The bill under discussion flies in the face of the principles enunciated by our President because it would lay an axe at the tree of efficiency in the movement of essentials of life from the producers to you, the consumers. It would make more expensive and difficult the moving of goods from the mill, mine, and farm to the consumer, and thus cause our distributive facilities to lag further behind production, and thereby frustrate the desire of our President for a more abundant life for all of us. The inevitable consequences of this bill would be higher prices and lower standards of living. And that means you would have less than you have today.

This Patman bill as framed in the House will place a Damoclean sword over the heads of industry and business. For under it the Federal Trade Commission is made the tyrant over industry, a price-fixing tyranny, and in the end you pay the costs of the tyranny. It is clothed with plenary powers, e. g., to issue orders fixing "quantity discounts", with practically the unrestrained right to fix price differentials. Isn't that price fixing? I, therefore, must disagree with Senator LOGAN. He probably has in mind the Senate bill, which is a milder bill. I refer to the House bill which is price fixing with a vengeance. The Commission can fix a ceiling as high or as low as it wishes, beyond which discounts cannot be made regardless of the quantity of goods sold. Of course, its decrees can be reviewed by the courts. But what of the expense! First the seller is yanked down to Washington, mayhap upon the complaint of a jealous competitor. Then there is the luxury of a costly court review. The proponents of this version of the bill say it will help the small manufacturers. How many small dealers and producers can withstand the expense of such litigation? And mind you, there will be a continuous procession of traders compelled to explain and answer charges, because there will be eavesdroppers and malcontents all over the country anxious and willing to embarrass their competitors.

One of the most potent arguments against the N. R. A. was the harassment of small-business men in answering complainants. And always in the end you, the consumer, pay the freight in higher prices.

Incidentally, all findings of fact of the Federal Trade Commission are conclusive even on the court. Furthermore, when you are accused before the Commission under the House version of the bill, you must prove your innocence. Even the meanest criminal is deemed innocent until proven guilty. The burden of proof is always on the accuser.

Not so in these proceedings before the Federal Trade Commission. By some hocus-pocus reasoning the accused must exculpate himself. He must prove his innocence. The burden is on him.

The Federal Trade Commission would under this version of the bill become the greatest bureaucracy of the century. There are 2,000,000 names in Dun & Bradstreet's register. Conservatively, there are 500,000 different kinds of articles of commerce. Multiply the 2,000,000 merchants and manufacturers and businessmen by the thousands of different types of commodities and you will have some idea of the myriads of potential controversies that will come before the Commission—not once a year but dozens of times, on different quantities, and under varying conditions. It is estimated that the Commission would be compelled to employ thousands of experts. And who would foot that pay roll? Why, of course, you, the consumer!

Let us take a page from the experience of Henry Ford and see what he would say concerning a bill of this character, which limits competition and seeks to place business across a procrustean bed of regulation:

"The competition of quality and service is the only thought worthy of the name. When government enters largely into industry or distribution, or into any of the elements which go to make up our lives, competition is replaced by regulation. * * * Since regulation must bar competition and directly or indirectly fix prices, everything that is obsolete will be preserved and nothing that means progress will be allowed."

"Quality discounts" may sound technical and unrelated to you, but each one means money saved to you, and therefore any restrictions of them mean higher prices to you for whatever is involved. So you and your pocketbook are concerned with them.

My good friend, the distinguished Senator from Kentucky [Mr. LOGAN], says the bill does not interfere with economically sound "quantity discounts." I fear Senator LOGAN is deceived by the tricky wording of section 2 of the House bill, which precludes discounts unless there is a difference in cost resulting from a differing method of manufacture.

Suppose I have about made up my mind to buy a thousand pairs of shoes from you, a manufacturer. You have made out my order. I suddenly decide to take 10,000 pairs of shoes if you will give me a "quantity discount." Can you give me that discount? No, unless you want to run the risk of violating the Robinson-Patman bill. Why? Because you only have to add a cipher to the original order of 1,000 pairs in your order book,

and the cost to you of selling me the 10,000 pairs is just the same as if you sold me only 1,000 pairs of shoes. There is no differing method involved; and as limited by those trick words in section 2 you can only give me a price differential if there is a cost of sale differential resulting from a differing method. There is no difference in the cost of sale of either the 1,000 or the 10,000, hence no discount.

Now, when prices are driven up as the result of such arbitrary regulation, you as consumers foot the added expense.

It is interesting to recall a recent Supreme Court decision in the Sugar Institute case. The members of the institute banded together for the purpose of refusing to grant quantity discounts on large purchases of sugar. They did exactly what these Patman-Robinson bills require. Did the Supreme Court let them get away with this? Emphatically, no! The Supreme Court said that the refiners were menacing trade in general by refusing to grant these quantity discounts. In other words, the Supreme Court in effect held that the sugar manufacturers must do exactly what the Robinson-Patman bills forbid. It wished to protect the consumer, because through quantity discounts prices are lowered.

Now, what you are probably most interested in knowing about this code-replacing bill is just how it will raise prices on you, since its sponsors say it will not raise prices, for they well know a bill they admitted would raise prices would not get far. Mr. PATMAN even goes further, you know, and says it will reduce prices.

Let's amuse ourselves for a minute seeing how he figures that out. First, he says the bill forces manufacturers to sell small orders at the same price as larger orders.

So far, so good. It would do that, for a fact.

Next, Mr. PATMAN says that as a result of all prices being the same, small buyers, who buy as a total three times as much as large buyers, but in small quantities, will get lower prices than the 25 percent who place the fewer large orders.

Presto! says Mr. PATMAN at this point, and seriously contends that if the large-lot buyers save you consumers \$750,000,000 a year, then under his Robinson-Patman bill exactly three times that will be made in savings for you, and so, as a mere matter of arithmetic, you will save two and a quarter billions, or three times \$750,000,000!

Now, honestly, that sort of figuring, you will all admit, puts Dr. Townsend to shame.

Of course, you have already seen the catch in his sleight-of-hand arithmetic.

That catch is simply that all stores do not cost the same to run, all storekeepers are not of equal ability, and not all stores have an equal volume of business.

No law can make all men of equal ability, make all stores of equal size, or make all locations equal to important corners.

Now, just how do these simple facts make Mr. PATMAN's figuring look ridiculous? They make it look really more than ridiculous because the goods we have just imagined as leaving the factory at the same price to all buyers, regardless of quantity bought, would, of course, have to go to you consumers 75 percent through nearly 1,400,000 stores of various sizes, paying various costs, and run by men of varying ability, and located in various types of communities—and always first of all through middlemen's hands.

Now, 62 percent of these 1,400,000 stores sell only \$10,000 or less a year. Twenty-five percent of those in the grocery field sell only \$4,500 a year or less.

A store selling only \$10,000 a year pays about 15 percent of its sales for expenses and about 20 percent of its sales to the proprietor for his draw, if that draw came to only \$40 a week, which is certainly small enough, yet more than he usually gets by a good deal. And first the wholesaler has gotten his 10 percent or 15 percent. And there are other items. So the total you pay is around 50 percent of these stores' retail prices, if the owner is getting only a modest living, which he doesn't get in most cases. If a store sells only \$5,000 a year, and the proprietor draws only a pittance of \$10 a week, the expense you, as a consumer, must pay is about that same 50 cents out of every dollar you spend, including the wholesalers' "take" and the other items.

So you see that the lower price at which 75 percent of the goods would supposedly go out of the factories to these 1,400,000 individual stores, under Mr. PATMAN's plan of the same price to all, would never reach you, the consumer. What the middlemen did not absorb would, of course, be absorbed in increasing the "draws" of those store proprietors a little—a few dollars a week toward getting them up to even \$35 or \$40 a week; and certainly they would even then be small enough, as nobody can deny. The point is that you, as a consumer, would certainly never stand the slightest chance of ever receiving any of these lowerings in price, even if a leveling off of prices at factories could be legislated in order to bring them about.

Now, let's look at what would happen to the 25 percent of the items you buy which are going to you through mass distribution, direct from producer to you, without any payment to middlemen, and at a resultant saving to you, as Mr. PATMAN admits, of hundreds of millions. These 140,000 stores run at about half the cost of the multi-middleman system which serves the 1,400,000 other stores.

Under Mr. PATMAN's equal-price-for-all-quantities plan this 25 percent of the factories' sales would cost more, certainly 10 or 15 percent more, exactly as it is assumed the 75 percent we have just discussed would cost less because of the supposed leveling of prices at factories. And you would therefore have to pay 10 or 15 percent more than you pay now for these items at these 140,000 stores operating under mass distribution. And 15 percent on what you

buy in these 140,000 economical ways would total up to just about a billion dollars a year for all of you 127,000,000 consumers. There's your bill—\$1,000,000,000!

And that is why these Robinson-Patman equality-for-all bills would cost you, the consumers, a billion dollars if they worked as their friends hope they would. And that is why I am against them.

And would the little dealers really get that billion? They would not. If they would, I might be for these bills even if they did hurt you consumers, for these merchants could certainly use the money, and they are consumers like the rest of us.

They would not get the billion because what was left, after the tens of thousands of middlemen they owe money to had gotten theirs, would be quickly lost through trade you consumers would, out of self-protection, have to shift away from them and give to their 140,000 competitors still offering the lowest prices; just as soon as those price increases hit you on the 25 percent of the orders that had to go out from factories at higher prices under Mr. PATMAN's leveling process. Isn't that so? Of course it is. It stands to reason that the 140,000 mass-distribution outlets, since they run at half the cost of the multimiddleman system, would be still offering the lowest prices despite the price increases forced on them; and it also stands to reason that the higher prices would force you to buy more from them in order to keep your heads above water. Of course, if you happened to be buying everything from them, you surely would be out of luck!

So, you see, it is just common sense that the pretty picture painted in support of these Robinson-Patman bills won't come true, can't come true. We can't by law, much as we'd like to, make unequals equal. And since they would prove a snare and delusion to the small dealer, who has been misled by the wholesalers and others into thinking they would really help him, and a pain in the pocketbook to you consumers, I am dead against them.

The Supreme Court knows that when competition is throttled prices rise, and that when prices rise you as consumers pay the piper. Now, the sponsor of this bill, Mr. PATMAN, at least tacitly admits that his bill will have the effect of discouraging reduction in prices, because, he said:

"If the Robinson-Patman bill is enacted into law, all merchants will receive the same prices from the manufacturers."

Now, when Mr. PATMAN says under his bill the manufacturers cannot sell to the larger retailers at prices less than those he accords to the smaller retailers, he must be right. Therefore, the larger retailers will be precluded from passing on to you, the consumers, the savings in reduced costs that they otherwise would obtain from the manufacturer.

Senator LOGAN, in the report on the Senate bill, says you, as consumers, will be willing to pay higher prices to guard yourselves from any remote possibility of monopoly developing in distribution. Would you? How much more would you like to pay out every week on that sort of proposition and to help some middlemen equalize opportunity? Why not let the good Senator know that you are unwilling to pay higher prices?

In effect, therefore, this bill would increase prices. If further proof is required, let us note what Dr. Harold G. Moulton, of the Brookings Institution, recently said:

"This bill, insofar as it would strike at all those who have heretofore been effective in reducing prices, to that extent, will raise prices."

To the same effect are the words of Prof. Malcolm P. McNair, of Harvard University:

"* * * With very few exceptions, the large-scale retail enterprises of today are fighting the consumer's battle. Their bargaining power is a wholesome weight in the balance against the monopolistic tendencies of many manufacturers. Congress certainly will not be serving the consumer's interest by tipping the balance of the scale further toward the manufacturers' side."

And Prof. M. C. Waltersdorf, head of the department of economics of Washington and Jefferson College, says:

"The proposed law would not facilitate increased distribution at lower cost, but no doubt would hinder the flow of goods. This is undesirable, as it would retard rather than facilitate recovery."

While Prof. Shaw Livermore, of the University of Buffalo, writes as follows:

"I am emphatically opposed to this bill and anything similar to it discriminating against the able and efficient retail distributors of the country. It will tend to destroy healthy competition and not to maintain it."

Herewith is a portion of a wire received from Prof. William A. Carter, of the department of economics, Dartmouth College:

"Opposed to legislative attempts to arbitrarily classify distributors. Proposed bill administratively unfeasible in regard to quantitative differentials. Prefer Federal Trade Commission Act to prevent price discrimination among buyers and sellers with respect to same grade, quality, and quantity goods."

In other words, Professor Carter is of the opinion that the scope of the present Federal Trade Commission is ample to take care of present evils.

Prof. H. L. Caverly, of the University of Michigan, says as follows: "I do not approve of any attempts to restrict free competition as embodied in the bill."

Dr. George Filippetti, professor of economics at the University of Minnesota, says as follows:

"The Robinson-Patman bill runs counter to reductions of cost of production and distribution, places a premium of inefficiency, and would be likely to result in the exploitation of the ultimate users of articles of commerce and industry."

While Prof. C. C. Huntington, of Ohio State University, writes: "I believe in lower prices for quantity sales, if such prices are still above the cost of producing, and filling such order is to the advantage of the consumer, and helps the purchasing power of the consumer in the lower income brackets."

In addition to the experts mentioned above, opposition to the bill is professed by Profs. Lewis H. Haney and Walter E. Spahr, of New York University, and Prof. T. R. Snavely, of the University of Virginia.

I could readily quote at length the names of scores of other well-known economists, selected at random from various parts of the country, who have expressed disapproval of the bill, primarily on the score of increased prices to you, the consumers.

Now you are interested in the bill as consumers from another angle. Increased prices mean fewer jobs; reduced prices, more jobs. This doctrine was recently clearly set forth by the Brookings Institution. It is splendidly illustrated by the automobile industry. The price of an automobile a decade ago was more than twice the average price of an automobile at the present time. The gradual reduction in price of the average car has placed the automobile within easy reach of you, the American consumer, resulting in a yearly progressive increase in the manufacture and sale of cars, with the consequent increase in employment in automobile factories and in garages, repair shops, accessory plants, service stations.

But if the price of automobiles had instead risen, what would have happened? Fewer, instead of more, cars would have been sold, and employment in the industry and its related trades would have decreased, instead of expanding as it has. Therefore, this bill, in the sense that it will increase prices, will to that extent decrease employment. President Roosevelt last night said that lower prices becomes one of the cornerstones of the New Deal. This bill, since it would increase prices, destroys one of the props of the Roosevelt New Deal.

Now let's take a look at this bugaboo of monopoly they say is about to jump out at you from every store. The proponents of the Robinson-Patman bill say its passage is necessary to prevent retail monopolies or tendencies thereto. In fact, their bill, which has been christened and rechristened by themselves several times, has as its most recent name the Patman-Robinson equal opportunity in business bill, evidently to give it an antimonopoly appeal. There is no monopoly in the retail field. There isn't even a leak in the dike, as Senator LOGAN fears. The big national mass distributors (all the talking is about) only do 8 percent of national distribution. The competitors agitating for this bill overlook carefully the fact that 87 percent (of this 8 percent) of the mass distributors have each only 25 stores or less and are sectional or intrastate business. You can't spell monopoly out of 8 percent no matter how hard you spell. And the Federal Trade Commission investigated 6 years at a cost to you consumers of \$1,000,000 and could find no monopolistic practices in the retail field.

We've had an antitrust law since 1890, and it is important that you know how section 2 of the Sherman Antitrust Act reads. It goes this way: "Every person who shall monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punished by fine not exceeding \$5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

Now you should have in mind this part of section 4: "The several courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations."

Now, just let me read to you from section 1 of an addition to the antitrust laws—the Federal Trade Commission Act, adopted September 26, 1914: "A Commission is hereby created and established, to be known as the Federal Trade Commission." And section 5 of that act reads in part: "That unfair methods of competition in commerce are hereby declared unlawful. The Commission is hereby empowered and directed to prevent persons, partnerships, or corporations from using unfair methods of competition in commerce."

Then there follows a detailed procedure for the Commission to pursue in covering investigations, hearings, recording of testimony, and so on. After all this procedure has been gone through with, if, in the opinion of the Commission, the accused is guilty of unfair practice, the Commission issues what is technically called a cease-and-desist order. If this order is not obeyed the violator is turned over to the Federal circuit court of appeals and the judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court.

Now, the point it is important for you to keep in mind is this: If Senator LOGAN or the other proponents of the Robinson-Patman bills seriously believe there are monopolies in existence or conditions tending to create monopolies or unfair trade practices which need correcting, let them report these complaints to the Federal attorneys or to the Attorney General of the United States or to the Federal Trade Commission. There are, as I have shown you, ample laws now in effect, and time after time in the last 45 years these laws have been upheld by the United States Supreme Court. So I say: Let the proponents of the Patman-Robinson bills do that, forthrightly and earnestly, rather than to try to

write into our Federal Statutes a law at the behest of a reactionary group of wholesale grocers, a law which would curb competition for the consumer. Nobody objects to vigorous enforcement of existing laws, or even to new laws that specify predatory trade practices like false brokerage or false advertising allowances. What more could be asked?

No more could be fairly asked. But more is asked for, as I have shown. That "more" is price fixing and price rising for the benefit of groups which want price control privileges. Now that is a "more" that means more expenses to you, and if you don't want that, you had better get busy and make your opinion felt.

I have put you on warning. It's your move now—write your Congressmen and Senators.

THE REVENUE BILL OF 1936

The SPEAKER. The unfinished business is action upon the bill (H. R. 12395) to provide revenue, equalize taxation, and for other purposes.

The question is on the passage of the bill.

Mr. DOUGHTON and Mr. SNELL demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 93, answered "present" 1, not voting 66, as follows:

[Roll No. 78]

YEAS—267

Amle	Dobbins	Kopplemann	Randolph
Ashbrook	Dockweiler	Kramer	Rankin
Bankhead	Dorsey	Kvale	Rayburn
Barden	Doughton	Lambeth	Reilly
Barry	Doxey	Lemke	Richards
Beam	Drewry	Lesinski	Robertson
Beiter	Driscoll	Lewis, Colo.	Robinson, Utah
Bell	Driver	Lewis, Md.	Rogers, N. H.
Biermann	Duffy, N. Y.	Lucas	Russell
Binderup	Duncan	Luckey	Sabath
Bland	Dunn, Pa.	Ludlow	Sadowski
Blanton	Eagle	Lundeen	Sandlin
Bloom	Eckert	McAndrews	Sauthoff
Boehne	Edmiston	McClellan	Schaefer
Boileau	Elcher	McCormack	Schneider, Wis.
Boland	Ellenbogen	McFarlane	Schuetz
Boylan	Evans	McGehee	Schulte
Brooks	Fernandez	McGrath	Scott
Brown, Ga.	Fitzpatrick	McGroarty	Scroggum
Brown, Mich.	Fletcher	McKeough	Sears
Buchanan	Ford, Calif.	McLaughlin	Secret
Buck	Ford, Miss.	McMillan	Shanley
Buckler, Minn.	Frey	McReynolds	Shannon
Buckley, N. Y.	Fuller	Mahon	Shovich
Burch	Fulmer	Maloney	Slisson
Burdick	Gambrill	Mansfield	Smith, Conn.
Caldwell	Gasque	Marcantonio	Smith, Va.
Cannon, Mo.	Gassaway	Martin, Colo.	Smith, Wash.
Cannon, Wis.	Gehrmann	Mason	Smith, W. Va.
Carmichael	Gildea	Massingale	Somers, N. Y.
Carpenter	Gillette	Maverick	South
Cartwright	Gingery	May	Spence
Casey	Goldsborough	Meeks	Stefan
Castellow	Granfield	Merritt, N. Y.	Stubbs
Celler	Gray, Ind.	Miller	Sullivan
Chandler	Green	Mitchell, Ill.	Sumners, Tex.
Chapman	Greenwood	Mitchell, Tenn.	Sweeney
Citron	Greever	Monaghan	Tarver
Clark, Idaho	Gregory	Montague	Taylor, S. C.
Clark, N. C.	Griswold	Moran	Terry
Cochran	Haines	Moritz	Thom
Coffee	Hamlin	Murdock	Thomason
Colden	Hancock, N. C.	Nelson	Thompson
Cole, Md.	Harlan	Nichols	Tolan
Colmer	Hart	Norton	Tonry
Connery	Harter	O'Brien	Turner
Cooley	Healey	O'Connell	Umstead
Cooper, Tenn.	Hennings	O'Connor	Vinson, Ga.
Costello	Higgins, Mass.	O'Day	Vinson, Ky.
Cox	Hildebrandt	O'Leary	Wallgren
Cravens	Hill, Ala.	O'Malley	Walter
Creal	Hill, Samuel B.	O'Neal	Warren
Cross, Tex.	Hobbs	Owen	Wearin
Crosser, Ohio	Hook	Palmisano	Weaver
Crowe	Hull	Parks	Werner
Cullen	Imhoff	Parsons	West
Cummings	Jacobsen	Patman	Whelchel
Curley	Johnson, Okla.	Patterson	White
Dear	Johnson, Tex.	Patton	Whittington
Deen	Johnson, W. Va.	Pearson	Wilcox
Delaney	Jones	Peterson, Ga.	Williams
Dempsey	Keller	Pfeifer	Wilson, La.
DeRouen	Kelly	Pierce	Withrow
Dickstein	Kennedy, Md.	Polk	Wood
Dies	Kerr	Rabaut	Woodrum
Dingell	Kniffin	Ramsay	Zimmerman
Disney	Kocialkowski	Ramspeck	

NAYS—93

Allen	Bacharach	Brewster	Carter
Andresen	Bacon	Burnham	Church
Arends	Blackney	Carlson	Cole, N. Y.

Corning	Gwynne	McLean	Robson, Ky.
Crawford	Halleck	McLeod	Rogers, Mass.
Crowther	Hancock, N. Y.	Main	Seger
Culkin	Hartley	Mapes	Snell
Darrow	Hess	Marshall	Stewart
Dirksen	Higgins, Conn.	Martin, Mass.	Sutphin
Ditter	Hollister	Merritt, Conn.	Taber
Dondero	Holmes	Michener	Thurston
Doutrich	Hope	Millard	Tinkham
Eaton	Kahn	Mott	Tobey
Ekwall	Kennedy, N. Y.	Perkins	Treadway
Engel	Kenney	Pettengill	Wadsworth
Englebright	Kinzer	Peyser	Wigglesworth
Fenerty	Kleberg	Plumley	Wilson, Pa.
Fish	Knutson	Powers	Wolcott
Gearhart	Lambertson	Ransley	Wolfenden
Gifford	Lamneck	Reece	Wolverton
Gilchrist	Lanham	Reed, Ill.	Woodruff
Goodwin	Lea, Calif.	Reed, N. Y.	
Greenway	Lehbach	Rich	
Guyer	Lord	Risk	

ANSWERED "PRESENT"—1

Pittenger

NOT VOTING—66

Adair	Darden	Jenckes, Ind.	Sanders, La.
Andrew, Mass.	Dietrich	Jenkins, Ohio	Sanders, Tex.
Andrews, N. Y.	Duffey, Ohio	Kee	Short
Ayers	Dunn, Miss.	Kloeb	Snyder, Pa.
Berlin	Faddis	Larrabee	Stack
Bolton	Farley	Lee, Okla.	Starnes
Boykin	Ferguson	McSwain	Steagall
Brennan	Fiesinger	Maas	Taylor, Colo.
Bulwinkle	Flannagan	Mead	Taylor, Tenn.
Cary	Focht	Montet	Thomas
Cavicchia	Gavagan	Oliver	Turpin
Christianson	Gray, Pa.	Peterson, Fla.	Utterback
Claiborne	Hill, Knute	Quinn	Welch
Collins	Hoepfel	Richardson	Young
Cooper, Ohio	Hoffman	Rogers, Okla.	Zioncheck
Crosby	Houston	Romjue	
Daly	Huddleston	Ryan	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Mead (for) with Mr. Pittenger (against).
 Mr. Ryan (for) with Mr. Taylor of Tennessee (against).
 Mr. Fiesinger (for) with Mr. Short (against).
 Mr. Taylor of Colorado (for) with Mr. Turpin (against).
 Mr. Houston (for) with Mr. Jenkins of Ohio (against).
 Mr. Farley (for) with Mr. Maas (against).
 Mr. Starnes (for) with Mr. Cooper of Ohio (against).
 Mr. Larrabee (for) with Mr. Thomas (against).
 Mr. Duffey of Ohio (for) with Mr. Andrew of Massachusetts (against).
 Mr. Ayers (for) with Mr. Bolton (against).
 Mr. Gavagan (for) with Mr. Cavicchia (against).
 Mr. Cary (for) with Mr. Andrews of New York (against).
 Mr. Boykin (for) with Mr. Christianson (against).
 Mr. Peterson of Florida (for) with Mr. Focht (against).
 Mr. Flanagan (for) with Mr. Hoffman (against).

Until further notice:

Mr. Claiborne with Mr. Collins.
 Mr. Huddleston with Mr. Welch.
 Mr. Bulwinkle with Mr. Montet.
 Mr. Darden with Mr. Steagall.
 Mr. Oliver with Mrs. Jenckes of Indiana.
 Mr. Ferguson with Mr. Sanders of Louisiana.
 Mr. Zioncheck with Mr. Brennan.
 Mr. Sanders of Texas with Mr. Romjue.
 Mr. Rogers of Oklahoma with Mr. Kloeb.

Mr. PITTENDER. Mr. Speaker, I voted "no." I have a pair with the gentleman from New York, Mr. MEAD, who, if present, would vote "yea." I therefore withdraw my vote of "no" and answer "present."

Mr. HESS. Mr. Speaker, my colleague the gentleman from Ohio, Mr. JENKINS, is unavoidably absent. If present, he would vote "no" on the passage of the bill.

Mr. HAINES. Mr. Speaker, my colleagues the gentlemen from Pennsylvania, Mr. RICHARDSON, Mr. DALY, Mr. QUINN, Mr. DIETRICH, Mr. FADDIS, Mr. GRAY, Mr. BERLIN, Mr. CROSBY, Mr. SNYDER, and Mr. STACK are unavoidably absent. If present, they would vote "yea."

Mr. COCHRAN. Mr. Speaker, the gentleman from Missouri, Mr. CLAIBORNE, is still confined to the hospital where he has been for the past month, which explains his absence today.

Mr. COLMER. Mr. Speaker, I desire to announce that my colleague the gentleman from Mississippi, Mr. DUNN, is unavoidably detained, due to the serious illness of his son. If he were present, he would vote "yea."

Mr. LAMNECK. Mr. Speaker, my colleague the gentleman from Ohio, Mr. YOUNG, is unavoidably absent. If present, he would vote "yea."

Mr. SMITH of Washington. Mr. Speaker, I desire to announce that my colleague the gentleman from Washington, Mr. KNUTE HILL, is unavoidably absent on account of serious illness in his family. If he were present, he would vote "yea."

Mr. MASSINGALE. Mr. Speaker, I desire to announce that my colleague the gentleman from Oklahoma, Mr. LEE, is unavoidably detained and asks me to state that if he were present he would vote "yea."

Mr. JOHNSON of West Virginia. Mr. Speaker, my colleague the gentleman from West Virginia, Mr. KEE, is unavoidably absent today. If he were present, he would vote "yea."

Mr. PARSONS. Mr. Speaker, my colleague the gentleman from Illinois, Mr. ADAIR, is unavoidably absent. If he were present, he would vote "yea."

Mr. BIERMANN. Mr. Speaker, my colleague the gentleman from Iowa, Mr. UTTERBACK, asks me to state that if he were present he would vote "yea."

Mr. HILL of Alabama. Mr. Speaker, the gentleman from South Carolina, Mr. McSWAIN, is unavoidably absent. If he were present, he would vote "yea."

Mr. BANKHEAD. Mr. Speaker, the gentleman from Colorado, Mr. TAYLOR, is unavoidably absent. If present, he would vote "yea" on the passage of the bill.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS—THE TAX BILL

Mr. HAMLIN. Mr. Speaker and ladies and gentlemen of the House, I shall vote for this tax bill, not because I thoroughly understand it, for it is too long and complicated for a Yankee schoolmaster to know it all. I like it because of its opponents and also for its friends. I have lots of faith in the chairman of the Ways and Means Committee of this House and its majority members, and I believe they have been eminently fair in the hearings on this bill which I have read carefully.

I have listened with much interest and pleasure to the debate—interest because it is of so much vital importance to the country, and I have felt also that I needed to pay much attention to this bill to try to learn what I could of this necessarily complicated and voluminous measure. I have heard it, as it seems to me, ably and understandingly, fairly and fully analyzed, opposed, and defended by its opponents and friends. And in passing I wish to say that I believe the Democratic Party and the Nation is fortunate to have backing this bill the chairman and majority members of the Ways and Means Committee and, in fact, in my opinion, the chairmen and majority members of the important committees of this House are a credit to any party anywhere at any time.

The opponents of this bill say, first, that it is unconstitutional; second, that it will not raise added revenue because it will hurt big business; and third, that it will aid the corporations and big business and will hurt the little fellow, which reminds me of the story of the lawyer who said: "Gentlemen of the jury, we shall attempt to prove, and shall prove, three things: (1) That my client never borrowed the kettle; (2) that when he borrowed it there was a hole in it; and (3) that when he returned it he returned it whole."

This pending bill has been so fully and ably discussed on both sides of the House that it would be presumptuous, indeed, for me to attempt to discuss it here. I wish, however, if I may, to review some features disclosed to me in the report of the hearings. First, unconstitutionality: If you folks think it is unconstitutional, why not let it ride and show us up later? Why are you trying in every way possible, by all the tricks of Philadelphia lawyers, to stop this bill if it is unconstitutional? Why are you wasting so much of your sweetness on the desert air? It seems to me that any fair-minded man who reads a report of the hearings and who has listened to the debates will see that testimony both for and against this

bill has been received by the chairman and majority members in a spirit and an air of fair play, of a desire to get the truth, the whole truth, and nothing but the truth, from all angles; "brain trusters", both of the Farley and Fletcher type, and practical "hoss sense" stuff, administration agents and their critics, leaders in business of all kinds, private and corporate, and, last, but by no means least, lawyers representing generally the interests of chambers of commerce, of capital opposing the bill, but testifying that it will help big business and hurt the small—so in the mass taken together we have attorneys for the corporations testifying that it will help big business and hurt the little fellow. They seem to be very solicitous about the little fellow. It seems queer.

Then the largeness of the bill seems to trouble them a great deal, and the fact that it is not simple. And yet when Mr. Alvord was questioned he admitted that the tax laws written in the administration in which Mr. Mellon was Secretary of the Treasury and when he was the special assistant were not very simple.

As a matter of fact, Mr. Speaker, I have many friends on the Republican side of this House. I feel very friendly to Republicans. I do not know why I should not; a good many of them voted for me at the last election. If they had not, I never would have been elected in the First Congressional District of Maine. If they do not vote for me in the coming election, I shall not come back here. So I am bound to have a warm feeling in my heart for them, and I want to reform them. The fact that so many of them are voting for me shows that I have a good chance to, and so I want to remind them, in the spirit of "the good neighbor", that since 1865 the tax laws of the United States have been passed for the benefit of the northeastern section of this country. We will agree that we have had prosperity, with many depressions, too; but we also assert that the tax laws have been written for the benefit largely of the wealthy class to make them wealthier. We do not need to tell of the increase of millionaires; everybody knows it who reads.

This bill is titled "A bill to provide a revenue and to equalize taxation." I do not know whether it will get a revenue or not. I do not know whether it will equalize taxation or not, but I do believe that it was framed largely for those two purposes, especially the latter. You folks, we all know, on this side, my left, you good friends of mine, and good men, stand on the whole for the vested interests of this country. We know just as well that on the whole and with a very few exceptions, and we found those exceptions last year largely when we passed the utility and holding-company bill, this side, my right, with its great leader is trying to work for the common class of America.

I am voting for this bill which I believe to be a bill constructed for this purpose, written not in secret, debated fully and fairly by some of the ablest and fairest men in this Nation, and I believe that it will prove to this country that the Democratic Party not only has the inclination but the ability to write this great tax bill which will prove an excellent piece of legislation for the Nation we love.

Mr. BACHARACH. Mr. Speaker, on March 3 the President sent to Congress a message suggesting the imposition of new taxes and outlining a scheme of taxation to meet permanent annual revenue requirements, the principal feature of which is a tax on undistributed corporate income. On this point he said:

Such a revision of our corporate taxes would effect great simplification in tax procedure—

And so forth.

The bill now under consideration is the answer to the President's suggestion for a simplification of our tax law; a bill 249 pages in length, so simple in its verbiage that it seems as though nobody understands it. In its simplicity it presents one of the most complex tax proposals ever offered to the Congress or the taxpayers.

Even the Secretary of the Treasury dodged the responsibility of appearing before the Ways and Means Committee to advocate or defend the President's proposals for this new tax program. I have taken part in the framing of a number of tax bills since I have been a member of the Ways and

Means Committee, but it is the first time in my recollection when the responsible head of the Treasury Department did not come before the committee to give us the benefit of his judgment and advice on proposed revenue legislation.

In this particular instance the Treasury Department was represented by the Commissioner of Internal Revenue and one of its statisticians. Later on, at the request of the gentleman from Massachusetts [Mr. TREADWAY], ranking minority member of the committee, Mr. Oliphant, General Counsel of the Treasury Department, and Mr. Kent, Chief Counsel of the Bureau of Internal Revenue, appeared before the committee.

The Commissioner of Internal Revenue, of course, has nothing to do with the revenues of the Government excepting to collect them. He is charged with the responsibility of carrying out the provisions of the revenue laws after Congress enacts them. He has no responsibility in the matter of determining how the revenues are to be raised or in advising the Congress how to raise them.

Likewise, the general counsel of the Treasury Department is charged with the responsibility of carrying out the legal aspects of a revenue law after it is enacted by the Congress. He is not looked upon as the financial expert of the Government, and, as a matter of fact, when Mr. Oliphant was before the committee he admitted that in his practice as a lawyer before coming into the Treasury Department, he had not had very much experience in the administration of tax laws, and, as far as I can see, he did not in any way qualify as a tax expert.

These are the men who were sent down by the administration to present the recommendations submitted by the President. To this very hour these experts are unable to give us any definite idea as to the approximate amount of revenue to be derived from the tax on undistributed income; the best they can do is merely to hazard a guess.

You have heard a number of speeches by the proponents of this bill; in my opinion, its simplicity has not as yet been established, and I do not expect that anything I may say on the subject will make it any easier to understand the bill.

Of one thing we may be certain in the passage of this bill, and that is this: That it definitely puts to an end the "breathing spell" which the President several months ago promised to the country; and, of course, the taxpayers were included in that promise. This bill will not only put an end to the normal "breathing" of industry; it will "strangle" it to death.

There is one unusual feature about this piece of legislation, and that is the lack of pride in authorship. I am sure that the distinguished chairman of the subcommittee, the gentleman from Washington [Mr. HILL], has no burning desire to be known as the "father" of the bill; and I am sure that the distinguished gentleman from North Carolina [Mr. DOUGHTON], the chairman of the Ways and Means Committee, gets little consolation in being its "godfather." I am equally certain that the gentleman from Kentucky [Mr. VINSON], who so ably assisted the chairman of the subcommittee in trying to bring some order out of the chaotic proposition sent down from the upper end of Pennsylvania Avenue, will not swell up with pride in being called "uncle."

We must look upon it as being the "stepchild" of the President, for only he truly knows who is the legitimate father, although I am afraid that even he will not recognize it when it returns to the White House to ask for his blessing and approval.

Now, the principle of taxing undistributed corporate income is not a new thing by any means. It has been in operation in a number of European countries for some years past with only nominal success; it has been rejected by others with greater experience in the levying and collection of taxes than we have had. It has been considered by the Ways and Means Committee and the Senate Finance Committee. Some years back the late Senator Jones, of New Mexico, offered it in the Senate as an amendment to a House bill; it was accepted by the Senate but rejected by the conference committee.

In this connection it might be well to again call your attention to a report made by the chief of staff of the Joint Committee on Internal Revenue Taxation, of which Mr. L. H. Parker is chief of staff. It is not necessary for me to tell the House anything about Mr. Parker; he is recognized by all of us as a real economist and tax expert. To him and to Mr. Beaman, Chief of the legislative drafting service, is due full credit for putting this bill into shape for parliamentary consideration.

The report to which I refer was issued under date of November 15, 1927. I think it is the first report of the Joint Committee on Internal Revenue Taxation, which committee was created for the purpose, among other things, of investigating "measures and methods for the simplification of internal-revenue taxes, particularly the income tax", the same purpose which the President gave as his reason for suggesting the tax on undistributed corporate income.

To assist Mr. Parker and his technical staff in making this investigation there was named an advisory committee consisting of Dr. T. S. Adams, A. A. Ballantine, George E. Holmes, George O. May, and Dr. Thomas Walker Page, all well known in the field of taxation, economics, and finance, which committee concurred in the findings of the report of the technical staff. On the subject of "undivided profits tax" Mr. Parker had this to say:

The general basis of such a tax is the imposition of a tax on the undistributed earnings of a corporation in addition to the usual income tax. Such a method may not contemplate the exemption from further tax of such earnings when ultimately distributed. The most obvious objection to such a tax is the burden which it places on legitimate and proper business expansion. As a business expands not only does its plant and property increase but a larger working capital is required, and it is desirable that reasonable accumulations of profits necessary for the expansion and stability of corporations should not be unduly burdened. A tax placed only upon the unnecessary accumulation of capital instead of upon the total accumulation involves many of the difficulties inherent in section 220 and is certainly an impracticable solution of the problem. It is believed that a tax on the total accumulation of profits by corporations is not desirable, because in many cases it might cause the making of unwise distributions and prevent the accumulation of a reasonable and proper surplus.

This legislation is entirely at variance with the previously expressed views of the President. In June 1935 he stated that a graduated income tax was an "equitable" tax and that the principle should be applied to corporations.

That is the principle of the present law, and while the present system is not entirely devoid of the possibilities of leakage and evasion, it is considerably improved over previous acts, and we were gradually working toward its greater perfection.

This tax comes at a time when industry is making valiant efforts to recover from the effects of the depression; a time when there is need for the laying aside of as much of undivided profits as can be spared without injury to the stockholders, in order to be prepared for further crises or depressions.

I shudder to think what would have been the result had not the large corporations of the country, employing hundreds of thousands of our men and women, been prepared to carry through the past 6 years on surpluses which they had built up in prosperous times.

This tax is aimed at the earnings of industrial corporations which have been called upon to take up the slack of unemployment and restore manufacturing and commerce to normalcy.

In his "boy scout" address to the Young Democrats of Maryland, delivered in the city of Baltimore a week or so ago, the President intimated that business and industry must get the people back to work or else the Government would find a way to put them to work, presumably by taking over industry. Apparently he had forgotten all about his suggestions for this new tax scheme when he was addressing these young business men and women, but I doubt that his audience had. If this tax bill will do anything to help speed up industry and get the millions of unemployed people who are now on relief or struggling for existence under the W.

P. A. back to work on livable wages, I have not been able to discover it.

A tax bill of any kind is not a popular thing at any time and for the dominant political party to bring one out in an election year excites the imagination no little as to what is behind it.

Last year's tax bill was a blow at private savings; this bill is a blow at corporate savings. If the supply of capital from private and corporate sources is eliminated, where else is left to turn? Only the State. I have not had the opportunity to check up and find out if the principle of this tax bill may not be just another plank of the Socialist platform.

Of course, the bill which we are now considering is not exactly the scheme sent down by the President. We are indebted to the members of the subcommittee for such modifications as have been made in the application of the principle in cases where it manifestly would be nothing short of ruinous for the profits to be distributed, even against the insistence of the Treasury officials that there be no exceptions whatever from the scheme which they put forward.

This tax scheme will upset the whole present structure of corporate taxation, when recovery hangs more on business stability than upon any other factor.

It is tax complication instead of simplification. It will create more tax litigation and in that respect it does give comfort to the unemployed, for it will mean work for a large number of tax attorneys and tax experts who are not now otherwise employed.

It will bring increased revenues to the Government Treasury when the country is most prosperous and carry us to the other extreme in times of depression.

It will favor well-established and fully financed corporations at the expense of the small corporations struggling for existence.

It will put a disproportionate strain on the small enterprise with modest capital. It will encourage overcapitalization and other questionable methods of financing. It will not hurt big corporations which already have built up surpluses.

It imposes impossible penalties on those who must borrow, who wish to expand, who must make replacement or improvements in plant facilities.

It will penalize the employees of industry by making it impossible for employers to give them any assurance of reasonable continuity of work and wages. It will make for increased unemployment and add to our already burdensome and stubborn relief problems.

We are told in the report of the majority that banks and trust companies are not brought within the new plan but are taxed at a flat rate of 15 percent. "This seems to be a wise public policy", says the report, "since the surplus of banks must be built up for the protection of the depositors."

I submit to you with all fairness the query that if it is a wise public policy for banks and trust companies to build up surpluses for the protection of their depositors, is it not equally a wise public policy to permit corporations to build up surpluses for the protection of their employees, their stockholders, and the general prosperity of the country?

Now, just a word on title III—"Tax on unjust enrichment", as it is expressed in the bill. In his message to the Congress the President referred to the tax covered in this title as "windfall taxes."

Webster's Dictionary defines "windfall" as "something as ripening fruit brought down by the wind"; rotten apples, for instance. Apparently the committee realized that this tax would be in the nature of a "rotten apple" to a great many small processing industries, particularly the independent packers, which were unable to pass on the processing taxes imposed under the A. A. A., and which were not reimbursed under the decision of the Supreme Court declaring the A. A. A. unconstitutional, and therefore thought it advisable to discard the President's designation of this tax for something more dignified and less understandable.

Many of these small industries were unable to pass on the processing tax, as a result of which their financial structures became impaired. A substantial number were unable to sur-

vive and were forced into bankruptcy. Those remaining in business are now faced with the possibility of again paying a processing tax under title III, which means that more of these independent establishments will be forced to liquidate.

It is true that the processors will not have to pay this tax if they can prove to the satisfaction of the Internal Revenue Bureau that they did not pass on the processing taxes. But the bill starts out by presuming that they did pass them on, and the burden of proof is on the processors to show that they did not.

That is a simple proposition in the minds of the processors, but those who have had experience with the Internal Revenue Bureau will know that it will be quite a different thing for them to convince the agents of the Bureau. The tax must be paid even if the business shows a net loss for the year. It is just going to be too bad for many of these small processors.

The only comfort that I can get out of this whole proposition is in the belief that when the bill goes over to the Senate the Finance Committee will scrap the whole thing, lock, stock, and barrel, and that a bill will be reported to the Senate that will be helpful to business instead of hurtful, based upon the premise that the framing of a tax bill at this time must be built upon the foundation of an adequate and honest budget of expenditures, including appropriate expenditures for recovery and relief, but excluding wasteful, foolish, and improvident spending.

I think it is well known that few Members of the House on either side of the aisle are wholeheartedly in favor of this bill, and if it were not for the fear of incurring the displeasure of the President there would be sufficient votes coming from the Democratic side to overwhelmingly defeat this measure when it comes to a vote.

Let us put aside partisan politics; let us place the country's welfare above political expediency and personal ambitions and vote this bill down.

REPORT BY GEN. HUGH S. JOHNSON

Mr. COCHRAN. Mr. Speaker, I present a privileged resolution for immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 493

Resolved, That the President of the United States be requested to transmit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as administrator of the Works Progress Administration for New York City, N. Y., if not incompatible with the public interest.

Mr. COCHRAN. Mr. Speaker, I ask that the report, which is very short, be read.

The Clerk read as follows:

ADVERSE REPORT (REPT. NO. 2539)

(To accompany H. Res. 493)

The Committee on Expenditures in the Executive Departments, to whom was referred the resolution (H. Res. 493) that the President of the United States be requested to submit to the House of Representatives the report submitted to the Administrator of the Works Progress Administration by Gen. Hugh S. Johnson upon completion of his term as administrator of the Works Progress Administration for New York City, N. Y., if not incompatible with the public interest, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following letter to the chairman of the committee from the Administrator of the Works Progress Administration:

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., April 28, 1936.

Hon. JOHN J. COCHRAN,

Member of Congress, Washington, D. C.

DEAR CONGRESSMAN COCHRAN: Gen. Hugh S. Johnson on October 26, 1935, sent me a confidential memorandum expressing his personal views on a number of subjects. This memorandum was sent to me after General Johnson had resigned from the Works Progress Administration.

In this memorandum are a number of references to individuals and agencies outside of the W. P. A. which are of a private and confidential nature.

Very sincerely yours,

HARRY L. HOPKINS, Administrator.

Mr. COCHRAN. Mr. Speaker, I move that the resolution be laid on the table.

The question was taken; and on a division (demanded by Mr. TABER) there were 178 ayes and 57 noes.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 243, nays 98, not voting 86, as follows:

[Roll No. 79]

YEAS—243

Ashbrook	Dorsey	Lanham	Rankin
Bankhead	Doughton	Lea, Calif.	Rayburn
Barden	Doxey	Lesinski	Reilly
Barry	Drewry	Lewis, Colo.	Richards
Beam	Driscoll	Lucas	Robertson
Beiter	Driver	Ludlow	Robinson, Utah
Bell	Duncan	Lundeen	Rogers, N. H.
Biermann	Dunn, Pa.	McAndrews	Russell
Blanton	Eagle	McClellan	Sabath
Bloom	Eckert	McCormack	Sadowski
Boehne	Edmiston	McFarlane	Sanders, Tex.
Boland	Elcher	McGehee	Sandlin
Boylan	Evans	McGrath	Schaefer
Brooks	Fernandez	McGroarty	Schuetz
Brown, Ga.	Fitzpatrick	McKeough	Schulte
Buchanan	Fletcher	McLaughlin	Scott
Buck	Ford, Calif.	McReynolds	Scrugham
Buckler, Minn.	Ford, Miss.	Mahon	Sears
Buckley, N. Y.	Fuller	Mansfield	Secrest
Burch	Fulmer	Martin, Colo.	Shanley
Caldwell	Gasque	Mason	Shannon
Cannon, Mo.	Gassaway	Massingale	Sirovich
Carmichael	Gildea	Maverick	Sisson
Carpenter	Gillette	May	Smith, Conn.
Cartwright	Goldsborough	Meeks	Smith, Va.
Casey	Granfield	Merritt, N. Y.	Smith, Wash.
Castellow	Gray, Ind.	Miller	Smith, W. Va.
Celler	Green	Mitchell, Ill.	Somers, N. Y.
Chandler	Greenway	Mitchell, Tenn.	South
Chapman	Greenwood	Monaghan	Spence
Citron	Greever	Moran	Stubbs
Clark, Idaho	Gregory	Moritz	Sullivan
Clark, N. C.	Haines	Murdock	Summers, Tex.
Cochran	Hamlin	Nelson	Sutphin
Coffee	Hart	Nichols	Sweeney
Colden	Harter	Norton	Tarver
Cole, Md.	Healey	O'Brien	Taylor, S. C.
Colmer	Hennings	O'Connell	Terry
Connery	Higgins, Mass.	O'Connor	Thomason
Cooley	Hildebrandt	O'Day	Tolan
Cooper, Tenn.	Hill, Ala.	O'Leary	Tonry
Corning	Hill, Samuel B.	O'Malley	Turner
Costello	Hobbs	O'Neal	Umstead
Cox	Imhoff	Owen	Vinson, Ga.
Cravens	Jacobsen	Palmsano	Vinson, Ky.
Creal	Johnson, Tex.	Parsons	Wallgren
Cross, Tex.	Johnson, W. Va.	Patman	Warren
Crowe	Keller	Patterson	Wearin
Cullen	Kelly	Patton	Weaver
Cummings	Kennedy, Md.	Pearson	Werner
Curley	Kennedy	Peterson, Fla.	West
Dear	Kerr	Peterson, Ga.	Whelchel
Deen	Kleberg	Pettengill	White
Delaney	Kniffin	Peyser	Whittington
Dempsey	Kocalkowski	Pfifer	Whitcox
DeRouen	Kopplemann	Pierce	Williams
Dickstein	Kramer	Polk	Wilson, La.
Dingell	Kvale	Rabaut	Wood
Disney	Lambeth	Ramsay	Woodrum
Dobbins	Lamneck	Randspeck	Zimmerman
Dockweiler		Randolph	

NAYS—98

Allen	Ekwall	Kinzer	Reed, N. Y.
Amie	Ellenbogen	Knutson	Rich
Arends	Engel	Lambertson	Risk
Bacharach	Englebright	Lehlbach	Robison, Ky.
Bacon	Fenerty	Lemke	Rogers, Mass.
Binderup	Fish	Lord	Sauthoff
Blackney	Gearhart	Luckey	Seger
Boileau	Gehrmann	McLean	Snell
Brewster	Gifford	McLeod	Stefan
Burdick	Gilchrist	Main	Stewart
Burnham	Goodwin	Mapes	Taber
Carlson	Guyer	Marcantonio	Thurston
Carter	Gwynne	Marshall	Tinkham
Cavichia	Halleck	Martin, Mass.	Tobey
Church	Hancock, N. Y.	Merritt, Conn.	Wadsworth
Cole, N. Y.	Hartley	Michener	Walter
Crawford	Hess	Millard	Wigglesworth
Crowther	Higgins, Conn.	Mott	Wilson, Pa.
Culkin	Hollister	Perkins	Withrow
Darrow	Holmes	Pittenger	Wolcott
Dirksen	Hook	Plumley	Wolfenden
Ditter	Hope	Powers	Wolverton
Dondero	Hull	Ransley	Woodruff
Doutrich	Kahn	Reece	
Duffy, N. Y.	Kennedy, N. Y.	Reed, Ill.	

NOT VOTING—86

Adair	Dies	Houston	Romjue
Andresen	Dietrich	Huddleston	Ryan
Andrew, Mass.	Duffey, Ohio	Jenckes, Ind.	Sanders, La.
Andrews, N. Y.	Dunn, Miss.	Jenkins, Ohio	Schneider, Wis.
Ayers	Eaton	Johnson, Okla.	Short
Berlin	Faddis	Kee	Snyder, Pa.
Bland	Farley	Kloeb	Stack
Bolton	Ferguson	Larrabee	Starnes
Boykin	Fiesinger	Lee, Okla.	Steagall
Brennan	Flannagan	Lewis, Md.	Taylor, Colo.
Brown, Mich.	Focht	McMillan	Taylor, Tenn.
Bulwinkle	Frey	McSwain	Thom
Cannon, Wis.	Gambrill	Maas	Thomas
Cary	Gavagan	Maloney	Thompson
Christianson	Gingery	Mead	Treadway
Claiborne	Gray, Pa.	Montague	Turpin
Collins	Griswold	Montet	Utterback
Cooper, Ohio	Hancock, N. C.	Oliver	Welch
Crosby	Harlan	Parks	Young
Crosser, Ohio	Hill, Knute	Quinn	Zioncheck
Daly	Hoeppel	Richardson	
Darden	Hoffman	Rogers, Okla.	

So the resolution was tabled.

The following pairs were announced:

General pairs:

Mr. Fiesinger with Mr. Short.
 Mr. Taylor of Colorado with Mr. Turpin.
 Mr. Bland with Mr. Treadway.
 Mr. Houston with Mr. Jenkins of Ohio.
 Mr. Farley with Mr. Maas.
 Mr. Starnes with Mr. Cooper of Ohio.
 Mr. Larrabee with Mr. Thomas.
 Mr. Duffey of Ohio with Mr. Andrew of Massachusetts.
 Mr. Ayers with Mr. Bolton.
 Mr. Cary with Mr. Andrews of New York.
 Mr. Boykin with Mr. Christianson.
 Mr. Flannagan with Mr. Hoffman.
 Mr. Claiborne with Mr. Collins.
 Mr. Huddleston with Mr. Welch.
 Mr. Mead with Mr. Eaton.
 Mr. Ryan with Mr. Taylor of Tennessee.
 Mr. Gavagan with Mr. Focht.
 Mr. Dies with Mr. Andresen.
 Mr. Maloney with Mr. Schneider of Wisconsin.
 Mr. McSwain with Mr. Utterback.
 Mr. Ferguson with Mr. Daly.
 Mr. Adair with Mr. Zioncheck.
 Mr. Parks with Mr. Young.
 Mr. Bulwinkle with Mr. Crosby.
 Mr. Harlan with Mr. Gambrill.
 Mr. McMillan with Mr. Richardson.
 Mr. Oliver with Mr. Brennan.
 Mr. Lewis of Maryland with Mr. Dietrich.
 Mrs. Jenckes of Indiana with Mr. Cannon of Wisconsin.
 Mr. Griswold with Mr. Lee of Oklahoma.
 Mr. Steagall with Mr. Frey.
 Mr. Dunn of Mississippi with Mr. Snyder of Pennsylvania.
 Mr. Montague with Mr. Kee.
 Mr. Crosser with Mr. Sanders of Louisiana.
 Mr. Gray of Pennsylvania with Mr. Brown of Michigan.
 Mr. Stack with Mr. Montet.
 Mr. Faddis with Mr. Thompson.
 Mr. Kloeb with Mr. Romjue.
 Mr. Hancock of North Carolina with Mr. Quinn.
 Mr. Rogers of Oklahoma with Mr. Thom.
 Mr. Johnson of Oklahoma with Mr. Berlin.
 Mr. Gingery with Mr. Knute Hill.

Mr. ELLENBOGEN changed his vote from "aye" to "no."

Mr. CARTWRIGHT changed his vote from "no" to "aye."

Mr. JOHNSON of Oklahoma. Mr. Speaker, I was not present and cannot qualify, but if I had been present I would have voted "aye."

Mr. CROWE. Mr. Speaker, my colleague, Mr. FARLEY, is unavoidably absent; if present, he would have voted "aye."

The result of the vote was announced as above recorded.

On motion of Mr. COCHRAN, a motion to reconsider the vote was laid on the table.

Mr. SANDERS of Texas. Mr. Speaker, I was unavoidably absent at the time the vote was taken on the tax bill. Had I been present, I would have voted "aye."

ANCHORAGE COMMERCIAL CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4159) for relief of Anchorage Commercial Co., Inc., with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill

H. R. 4159, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the Senate amendments:

The Clerk read as follows:

Page 1, line 3, after "Treasury", insert "be, and he"

Page 1, lines 6 and 7, strike out "any moneys in the Treasury not otherwise appropriated" and insert "balances of the appropriations 'Education of natives of Alaska, 1927-28' and 'Education of natives of Alaska, 1928-29', which balances have heretofore been carried to the surplus fund of the Treasury."

Mr. SNELL. Mr. Speaker, will the gentleman explain what these amendments do in a few words?

Mr. KENNEDY of Maryland. Mr. Speaker, this is a private claim, and the Senate has so amended it to take the money out of the appropriation for the education of natives in Alaska instead of from the general funds in the Treasury.

Mr. SNELL. Otherwise, there is no material change?

Mr. KENNEDY of Maryland. No.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

MR. AND MRS. BRUCE LEE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill H. R. 3952, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 6, strike out "not otherwise appropriated" and insert "allocated by the President for the maintenance and operation of the Civilian Conservation Corps."

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. DALY, and Mr. PITTINGER.

FOUNDING OF PRATTVILLE, ALA.

Mr. KELLER. Mr. Speaker, I ask unanimous consent to reinstate to its former place on the Consent Calendar House Joint Resolution 241, to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, has the gentleman from Illinois conferred with the gentleman from Michigan [Mr. Wolcott]?

Mr. KELLER. I have.

Mr. SNELL. And this action is entirely agreeable to him?

Mr. KELLER. Yes.

The SPEAKER. Is there objection?

There was no objection.

REGIMENTATION BY TAXATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address which I delivered last evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks I insert the following radio address by me:

Every person who is out of employment, every person who has employment and wishes to retain his position, every person who owns a share of stock—in fact, every person who has at heart the welfare of his family and his fellow man—should be opposed to the so-called tax bill now before the Congress.

We are all interested in business recovery. We do not want to enact a stupid, ill-considered, unsound measure that will retard recovery. Already the citizens have suffered too much from business stagnation caused by the hasty enactment of unwise and unconstitutional legislation. It is to point out a few, and only a

few, of the adverse effects which this pending tax measure will have upon the business of the country that I respectfully ask your attention during the few minutes allotted to me.

The reason this so-called tax bill is before the Congress at the present time is because the President in a message to the Congress under date of March 3, 1936, urged this legislation as an "important tax reform." In his message the President stated, as an inducement to its enactment, that—

"Such a revision of our corporate taxes would effect great simplification in tax procedure, in corporate accounting, and in the understanding of the whole subject by the citizens of the Nation."

I want to dispose of this subject of "simplification right at the start, otherwise the harassed businessman may be led to believe that his prayer for "simplification" of tax procedure has at last been heard and answered. It is useless to quote in full 16 pages of the pending bill devoted to the subject of "clarification, simplification, and mystification" in tax procedure. I invite the attention of the hopeful and expectant "citizens of the Nation" to this gem of bureaucratic clarity which is supposed to remove the wrinkles of worry from the brow of every puzzled taxpayer.

For the benefit of the businessman who plans to sit down with this tax bill before him and figure out the tax his company is to pay on its undistributed net income, I quote this clear, informative instruction:

"A percentage of the adjusted net income which is more than 10 and less than 20, the tax shall be a percentage of the adjusted net income equal to the sum of 4, plus one-half of the amount by which the percentage which the undistributed net income is of the adjusted net income exceeds 10."

Let this clarifying language may not be as clear as crystal to the average taxpayer, the "brain trust" further submits this formula:

"If the percentage which the undistributed net income is of the adjusted net income is not one of the percentages of the adjusted net income shown in schedule I or II, the rate of tax shall be proportionate, being interpolated by the straight-line method: That is, by the formula

$$X = \left[\frac{a-b}{c-b} \times e-d \right] + d$$

where

X=rate of tax on adjusted net income;

a=percent of undistributed net income to adjusted net income;

b=bracket percentage next smaller than "a";

c=bracket percentage next larger than "a";

d=rate of tax on bracket next smaller than "a"; and

e=rate of tax on bracket next larger than "a."

Can a bewildered public ask anything simpler than this? If still in doubt as to the necessity of this formula, do not venture to ask further enlightenment for this sacred formula is intended to bring peace and perfect rest to the tired and feverish brain of the confused taxpayer. It is a gift from the bureaucratic gods of the New Deal. So much for the promise of simplification.

Let us not be deceived. This is not in reality a revenue bill. It is simply another Executive "must" regimentation measure. The real purpose is not primarily to obtain revenue but to substitute bureaucratic management for private judgment in business. Dictatorial control over private business is the real purpose of the system of taxation proposed in the pending bill, not revenue.

If the real purpose is to obtain revenue, why abandon the present system, which will yield over \$1,000,000,000, and substitute an untried, untested, and discredited theory, advocated by no one experienced in the field of taxation. Why replace a system of taxation that has proved effective with an experimental plan supported only by Communists, Socialists, and those who desire to have our Government own and dominate all business?

In brief, under this tax it is proposed to discard the present system of taxing corporations upon the income which they earn and substitute instead a tax measured by the amounts saved by corporations for the future needs of their business, or to tide them over lean periods that may be ahead. The greater the saving the higher the rate of tax becomes. Under this tax, if a corporation having an income of more than \$10,000 seeks to save all of its earnings in any one year to meet an emergency it would be taxed at the rate of 42½ percent, and would be able to lay aside for future needs scarcely more than half of the amount that it has earned. On the other hand, if a corporation paid all of its earnings out in dividends—and saved nothing at all—it would go tax-free. Under the present tax all corporation income, saved or paid out, is taxed at from 12½ to 15 percent.

Is it not obvious that many corporations, especially the financially strong ones, will escape all taxation under the proposed plan? And is it not equally clear that thousands of business concerns not financially fortified with large reserves will be ruined if they distribute their surplus, and that they will be destroyed by the tax if they attempt to retain the surplus which business prudence commends? This is an application of the communistic "death sentence" with a vengeance. It is the financially weak corporations, however, that will be guillotined. The lusty monopolistic concerns will escape both death and taxation, and thrive as a result of the elimination of their small competitors.

If this tax is adopted we will be taxing savings and not income. We will penalize thrift and encourage extravagance that must result in bankruptcy.

The Republican Party is opposed to the adoption of this bill. This opposition is not based upon party considerations. The Republican Party's record of cooperation with the present admin-

istration on legislation which was clearly designed to cope with the emergency, and to foster national economic recovery, conclusively demonstrates its ability to rise above partisanship when the welfare of the American Nation is at stake.

Our opposition is based upon two major considerations. First, because the proposed tax will not bring in an appreciable increase in revenue; and second, because of its thoroughly destructive character and the harm that it will do to everyone who works for a living.

The situation is this: We are asked to throw overboard a tried and proven system of taxation, the yield from which can be estimated with reasonable accuracy, and to gamble instead with an unsound scheme which has been rejected by Congress for the past 16 years.

There would be some justification for considering measures to raise additional revenues if they were a part of a well-devised program to balance the Federal Budget, a program which would contemplate reduction of expenditures by elimination of present scoop-shovel spending methods, as well as increasing taxes. To such a plan properly conceived and well developed, the Republican Party will give its most friendly and cooperative attention. But we cannot subscribe to a subterfuge such as this proposed tax bill presents.

No party which is sincerely devoted to the welfare of the American people can do anything but oppose stoutly a tax measure which gambles with existing revenues in favor of a crackpot proposal that goes against all practical experience.

Our second principal reason for opposing the tax bill is the ruinous effect which it is certain to have not alone upon business, not alone upon corporations, but upon all who work for a living, and thereby play their part in our national system of productive enterprise.

This proposal ignores all experience with similar tax schemes. It ignores all study of similar measures by other countries with far more experience than ourselves with income taxes. Our British friends, for example, have been experimenting with income taxation for over a century—we for less than one generation. A commission of the British Government for 3 years studied a plan similar to this one and then rejected it as unworkable. Yet we are asked to adopt such a tax bill that was only formulated a few days ago. But that, I regret to say, seems to be the way things are done under the New Deal. We are asked to act first and think about the consequences afterward.

The attitude of the administration in proposing this tax measure is reminiscent of the man who was brought into police court, charged with having thrown a stone through a window the night before while drunk. His defense was that at the moment it seemed to him a good thing to do.

Representatives of business throughout the United States—chiefly little business—have come forward to tell about the destructive effects that this bill would have upon them, their business, and their employees. These protests confirm, as nothing else could, the impression my associates and I had formed of the destructive character of this proposal.

Specifically, what will this bill do? What will it do to the small business man, to the wage earner, and to the small investor? I am not concerned here in talking about its effects upon big business or upon the rich. They can take care of themselves under any system. What you and I are interested in is the effect of this measure upon the rank and file of Americans who make from \$20 to \$50 to \$60 a week, the people who constitute the backbone of this great Nation.

First, it would penalize the time-proven policy of saving for a rainy day.

The idea of this tax is to force the distribution of corporate earnings in the form of dividends, regardless of conditions which may demand that earnings be laid aside for future needs. As I have already mentioned, the rate of the tax increases rapidly in proportion to the amount saved. The rate schedule is so devised that if a corporation desires to save more than three-tenths of its earnings, it must pay a dollar in tax for every additional dollar it saves.

The practical effect of this policy of forbidden savings leads to the second fundamental objection to the bill.

It would increase unemployment in times of depression.

With the accumulation of savings for lean years prevented, or seriously impeded, business concerns will be less able to survive future depressions. Bankruptcies will increase. Unemployment, with all of its deplorable hardships, will be vastly greater in its magnitude.

You may ask, What good have the past savings of corporations done in the present depression? Well, as one great American would say, let's look at the record.

During the 5 years, 1930 through 1934, savings accumulated from past periods of prosperity enabled the manufacturing industry alone to keep on its pay roll 1,300,000 more persons than were required to produce the current output. Wages paid to this group totaled \$5,800,000,000—about \$1,100,000,000 a year. In other words, if corporations had not saved in the past, there would have been during this depression 1,300,000 more unemployed than we have had. Between five and six million more persons would have been added to the relief rolls. Yet we are told by advocates of this bill that business savings are improper and unjustified.

Third, adoption of this tax would prevent the development and growth of new business enterprises.

The story of American industrial progress is a familiar one. We all know about the growth of the great milling industry from small

beginnings in local gristmills, the development of the modern steel mill from the local foundry, the growth of the village smithy into the modern agricultural-implement factory, and the like. None of these developments could have taken place had not proprietors "plowed back" into their small businesses a substantial portion of their earnings each year. Yet this proposed tax would hinder, if not prevent, any further development of American industry by this means.

I should like to discuss other unsound features of this bill, but time will not permit. I wish to say in conclusion if you believe that America can progress no further, and that new inventions and new products are a thing of the past, then perhaps you will favor this tax bill. If, however, you share my confidence in the future development of our American civilization, undoubtedly you will feel with me that no tax bill which will impede our industrial development should be allowed to pass.

THE TAX BILL

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, it is not a pleasant duty for one to vote to place additional burdens of taxation upon the people of the Nation.

It is more to be desired, however, than to continue the expenditures of money without providing the means of raising the sums necessary. What has made it necessary for this tax proposal? First, we need \$500,000,000 for the new farm program and \$120,000,000 a year for the payment of the adjusted-service certificates of the veterans. Both are just debts. In addition there are \$517,000,000 needed to meet outstanding obligations that the Government now owes to the farmers under the old A. A. A. Divide this up in 3 years and you will have about \$172,000,000 a year which is necessary to pay these farmers what the Government has contracted and agreed to pay. In the bill before us we provide a windfall tax which is estimated to yield \$100,000,000 and a capital stock tax which is estimated to yield \$83,000,000 or a total of \$183,000,000 to take care of the \$172,000,000.

I have heard the opponents of this bill say that the measure will not provide the amount necessary, and then in the next breath argue that the bill will not produce any revenue at all, that it will ruin business, and so on. This simply does not make sense to me, for if it will not produce any revenue it certainly cannot hurt business. I have listened to so much of this calamity howling that I pay no attention to it any more, for the records of this administration prove conclusively that during the 3 years of the present administration business has recovered to the point where leaders in industry are now making public statements to the effect that business is back to normal and that we have passed the worst in our national depression and that we are back on our feet again. Surely no one can say that the action of this administration has injured business in the face of the record. I was greatly interested in a statement I read the other day in a local Washington newspaper, the statement handed out by the president of the great Chamber of Commerce of the United States, in which he paints a most rosy picture of the great strides that have been made during the past year and the fine business gains that have been made. He is quoted as saying that many industries are now working day and night shifts in order to fill orders. The business charts published by antiadministration organizations clearly indicate the same upward trend in every line of human endeavor. I have studied the pending revenue bill very carefully. I have listened attentively to the statements made by the members of the committee and subcommittee who held hearings and wrote the bill. I am convinced that no member of that great Ways and Means Committee would want to urge the passage of any legislation that would bring injury to anyone, for these men are just as patriotic and interested in others as is any other group of our people. Our Government has been obliged to go to the rescue of the States and municipalities in order to care for their people. We have had to use the strong arm of Government credit in order to save these communities from evils that no one might have been able to foresee, and as a result we have saved them, and by saving them we saved the Nation.

It is true that we have had to spend money, and it may be true that more money will have to be spent; but to me it is perfectly clear that, unless we do this, we shall throw back upon local communities burdens that will be unable for them to bear and bring greater burdens of taxation upon our people, caused by what I deem to be the unwise and shortsightedness of our business leaders. While it is true that business is back to normal in most parts of the country, it is likewise true that human hands are being supplanted by machines, contributing to more unemployment. If industry insists upon installing labor-supplanting machines and thus contribute to more unemployment, surely someone must care for those human hands that are being supplanted; so that it becomes the painful duty of the Congress to find means of raising money to finance these burdens caused by industry and its unwillingness to cooperate, through the spreading of employment and the payment of a decent living wage. If money is needed, then it must come from someone.

I will not vote to place a heavier burden upon our great middle class and small-business men and corporations. They have always paid more than their fair share of the taxes, while the large corporations have evaded their fair share because of existing laws. I certainly would be the last man in this House to advocate any tax bill that might injure our people, but I know that this is a step in the right direction and will be a more equitable measure than we now have. I know that this bill is in the interest of the people I have the honor to represent, for many of them hold stocks upon which they are paid small dividends, while most of the earnings are denied to them so as to avoid taxation. Most of the corporations in my district will be benefited, for many of them are small and already paying more than their share of taxes, while under this present proposal their taxes will be no more and in many instances less.

Under this present proposal corporations will pay no taxes if they distribute their earnings to their stockholders. We are trying to equalize taxation under this proposal, something that we have never done since we have had the income-tax laws on the statute books. If corporations choose to pay better wages and in this way distribute more of their profits, we will have contributed much to our recovery; and as I understand it, that is one of the objectives we have in mind. As was stated, Mr. Speaker, by the chairman of the committee, the bill is based upon justice, equality, and a sounder principle than is now in existence. It must also be borne in mind that the existing surpluses and reserves of corporations are not taxed; they remain in the future as they now exist. It should also be borne in mind that all existing corporation taxes under this plan are repealed. The corporation income taxes, the capital-stock tax, and the present excess-profit taxes are repealed, and this new plan of taxation is to take its place; and in this connection let me say that under this proposal we look to the future and do not look back into the past. The records show that there has been such a vast amount of tax evasion—more than \$1,600,000,000 annually—which means that about four to five billion dollars a year are being piled up in enormous surpluses by corporations in the country. We want them to distribute these earnings among the men and women who have invested in their stocks, thus creating more purchasing power as well as cause these folks to invest in other stocks and securities and at the same time pay their fair share of the taxes.

The bill does not "hamstring" any corporation. In the future, as in the past, a corporation may have all the surplus and all the reserve that it wants to have. Its business can be conducted as it pleases or its better judgment dictates. This tax plan simply provides that whatever net income the corporation has, its earnings and its profits shall go through the tax mill just like any other individual or partnership, or your money and mine. I can see nothing unfair about it. It will contribute to not only an increase in revenue to the Government but will induce our people to invest their savings in corporations who are successful and who can show them a return for their investment. The bill, as I see it, Mr. Speaker, tries to—and I am sure will—close up those loopholes through which so many evasions have resulted.

The rank and file of American people expect the Congress to do this, for I think every Member of this House can testify to the dissatisfaction in their districts on the part of our great middle class and small-business men, who long ago recognized the inequalities of our tax system. Summed up briefly, let me quote the words of Mr. COOPER of Tennessee, a distinguished member of the Ways and Means Committee, who said:

You simply ask the corporations two questions at the end of the year under this plan. The first is, What was your net income; what did you make? If they answer that, then the next question is, What did you do with it; did you pay it out in dividends to your stockholders? If you did, you do not owe us a dime; but if you did not pay it out to your stockholders, then you owe us a tax on it.

In those words you state a simple explanation of this proposal. To me it is fair and just. To me it will mean a more equal tax program, a program that I will be glad to support because I believe it will spread wealth, it will distribute profits; it will contribute to better wages; it will give more purchasing power to the masses. This leads to better economic conditions and will contribute to human happiness.

But, Mr. Speaker, I hear some say, "Stop spending money; cut out a lot of these Government activities." I am sure every Member of the Congress would wish that local communities could care for their own, so that we might not be called upon to appropriate money to care for their citizens. To throw this burden back upon local communities would mean, in many of our large centers of population, a burden that these communities cannot bear. It would mean raising taxes upon their people, and practically in every instance that additional tax would fall upon real estate, which is now heavily taxed.

The better plan, Mr. Speaker, would be for our great group of employers of labor to pay a decent living wage, spread employment through shorter hours, contribute to the employment of men and women who would rather work and earn their bread by the sweat of their brows than to receive relief. Relief, Mr. Speaker, is repugnant to the great mass of our people, and I hope and pray to God that the day is not far distant when we will have a job for every man and woman who wants to work, and at an adequate wage that will permit our people to not only buy the necessities of life but these luxuries that are so dear to our people.

An employed people are a happy people. Unemployment and low wages will ruin this Nation, and unwise indeed is the man or woman in industry who does not want to do his or her share toward better conditions. The permanency of the Nation rests upon these truths, and the sooner we realize it the better off we will be.

THREE HUNDREDTH ANNIVERSARY, HARVARD COLLEGE

Mr. BACON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 247, authorizing the recognition of the three hundredth anniversary of the founding of Harvard College and the beginning of higher education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary, and for its immediate consideration.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of Senate Joint Resolution 247. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution. The Clerk read as follows:

Whereas there are to be held at Cambridge, Mass., and at other places during the year 1936 celebrations commemorating the three hundredth anniversary of the founding of Harvard University, said university being the first college to be established in what are now the United States; and

Whereas, in accordance with resolutions of the president and fellows of Harvard College, there will take place in Cambridge, Mass., on the 16th, 17th, and 18th of September 1936 formal ceremonies of celebration of the tercentenary, in the presence of the governing boards, faculties, students, and alumni of the university, the delegates of other institutions, distinguished guests, and a large number of friends and benefactors; and

Whereas the Commonwealth of Massachusetts and the cities of Cambridge and Boston will be officially represented at the ceremonies; and

Whereas Harvard University endeavors to foster and maintain the ideals of truth and freedom so dear to Americans: Therefore be it

Resolved, etc., That the Government and people of the United States unite with Harvard University in a fitting and appropriate observance of the three hundredth anniversary of its founding, which marked the formal beginning of higher education in the United States.

Sec. 2. There is hereby established a commission to be known as the United States Harvard University Tercentenary Commission (hereinafter referred to as the Commission) to be composed of 15 commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by said President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by said Speaker.

Sec. 3. The Commission, on behalf of the United States, shall cooperate with representatives of Harvard University, the Commonwealth of Massachusetts, and the cities of Cambridge and Boston in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies or individuals attending the celebration as guests of Harvard University.

Sec. 4. The members of the Commission shall serve without compensation and shall select a chairman from among their number, but the President of the United States shall be designated the "Honorary Chairman" of the Commission.

Sec. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to be expended by the Commission for expenses, including actual and necessary traveling and subsistence expenses, incurred while discharging its functions under this resolution. The Commission shall have power to select, hire, and fix the compensation of such officers and employees as shall be necessary for the performance of its duties without regard to the provisions of other laws applicable to employment or compensation of officers or employees of the United States.

Sec. 6. Any vacancies occurring in the membership of the Commission shall be filled by the President of the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PUBLIC ACT NO. 435

Mrs. GREENWAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 215, to amend Public Act No. 435, Seventy-second Congress, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The gentlewoman from Arizona asks unanimous consent to take from the Speaker's table House Joint Resolution 215, with a Senate amendment thereto, and concur in the Senate amendment. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 10, strike out "March" and insert "September."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider the vote by which the Senate amendment was concurred in was laid on the table.

THE FLORIDA CROSS-STATE CANAL

Mr. SEARS. Mr. Speaker, Secretary of War Dern is in Florida on an inspection tour of our rivers and harbors and the cross-State canal. I ask unanimous consent to place in the RECORD a few quotations from Secretary Dern on the feasibility of the Florida cross-State canal.

The SPEAKER. Is there objection?

There was no objection.

Mr. SEARS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following quotations from Secretary of War Dern on the feasibility of the Florida cross-State canal, published recently in the Jacksonville Journal:

Secretary of War George H. Dern endorsed the Gulf-Atlantic Ship Canal today as a "feasible and worth-while project."

"People who deride the proposed waterway as an impractical scheme don't know what they are talking about," he told the Journal.

He was to leave this afternoon for Ocala, where he will confer with Col. Brehon Somervell, chief of the Ocala district of the United States Army Engineers, who is in charge of construction of the canal project.

Army Engineers are an integral part of the War Department, which is headed by Secretary Dern, and it is under him that all

work has been done on the canal since President Roosevelt made his initial allotment to the project.

"There has been some talk of the water supply of the State being affected by the canal", Mr. Dern said. "As a result of advice by expert geologists we have reached the conclusion that there is only remote, if any, danger at all from its construction."

"Two years ago, even, we were told that should such an emergency arise the situation could be met. The Engineers have guarded against this."

REPORT OF GEN. HUGH S. JOHNSON

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. GIFFORD] may have 5 minutes in which to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. GIFFORD. Mr. Speaker, the minority seem to have very small rights, and inasmuch as the House has refused to demand the report of Gen. Hugh S. Johnson regarding W. P. A. activities, just a word of lamentation should perhaps be permitted. We are about to consider an additional appropriation of a billion and a half dollars to be expended under W. P. A. That report from a public administrator of an important post like New York City should be valuable, because it should be of great advantage to this House in the consideration of further W. P. A. appropriations. I remind the House, however, that certain newspapers did get hold of that report and portions of it have been freely circulated. Copies are obtainable, and while gentlemen may say we can only assume the truth of it, yet General Johnson in his own column tacitly admitted that the quoted criticisms were correct. Therefore we can quote those portions of his report as genuine copy. He said that the next time he makes a report, it will be sent to the bottom of a well in Indian sign language.

I desire to suggest to the House that we may quote him and inform the public as to his real opinion of the W. P. A. He was the darling of you people when he was favorable to you and "cracking down" on others, but now you do not want to listen at all to what he says. Where is your watchword? Pitiless publicity. This is the public business, and you are trying to keep it from the public. It is not private business. Lest I be too serious, I would compare it to the case where a young lady anonymously advertised for a male hiking companion for 2 weeks, and then they asked her if she would disclose the names of the 100 applicants. She said, "No; it has already made an awful row. Father was one of the applicants." [Laughter.] You are indeed afraid somebody pretty close to the administration will be mentioned. Why should they not be, if they are attending to the public business? I think it is no secret for me to say that in committee I asked that this report might be sent to the committee or a subcommittee for us to look it over and see if it was not compatible with the public interest to disclose it. But very quickly both in the House and in the committee the report is smothered. Oh, why are you so cowardly about it? General Johnson still loves his President. He is very loyal to him. He is only trying to be helpful in his criticisms. Why do you not listen to him? [Applause.]

[Here the gavel fell.]

SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 460.

The Clerk read as follows:

House Resolution 460

Resolved, That the Speaker appoint a select committee of five Members of the House and that such committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy, any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced. The committee shall report to the House (or to the Speaker of the House, if the House is not in session) the results of its investigation, together with its recommendations, if any, for necessary legislation.

That said committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or adjourned; to hold such hearings; to require the attendance of such witnesses and the production of such books, papers, and documents by subpoena or otherwise and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of said committee, and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who having been summoned as a witness by authority of said committee or any subcommittee thereof willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I now yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, on March 20 last the President of the United States addressed to the Speaker of the House a communication in writing, which I will ask to have the Clerk read for the information of the Members.

The SPEAKER. Without objection, the Clerk will read the communication.

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, March 20, 1936.

HON. JOSEPH W. BYRNS,

The Speaker, United States House of Representatives.

MY DEAR MR. SPEAKER: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies, or such parts of them as may become more or less permanent, into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate has named a special committee to consider aspects of this general problem, and I respectfully suggest that the House of Representatives also create a special committee of a similar character through which the House of Representatives could cooperate with me and with the committee that I shall name in making this study, in order that duplication of effort in the task of research may be avoided and to the end that this study may be made as fruitful as possible.

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

Mr. BANKHEAD. I think those of you who had the opportunity to listen to the reading of this letter from the President have observed what we had in mind in bringing in this resolution. You will note this communication was addressed to the Speaker of the House, and at the request of the Speaker I introduced the resolution which is now pending before the House for consideration.

This question of an effort to reorganize the departments of the Government is not a new problem for Congress. Since I have been a Member of this House, at least one rather pretentious effort was made along this line, but, unfortunately, for reasons which are not now necessary to state, it did not effectuate any useful purpose or the objective that it had in mind.

If you will recall the statement of the President in the letter just read, you will see he makes the statement that there are a great many bureaus and agencies of the present Federal Government which have been brought into existence by reason of the great emergency through which we have passed for the last 3 or 4 years. In addition to that there

already existed a great many permanent bureaus and divisions of the Government which have been in existence for a number of years, and it has always been my personal opinion that there has been and is now, probably more now than ever before in the history of our Government, for the reasons which I have just stated, a great opportunity, by careful, prudent, scientific, and courageous investigation of those bureaus, for the Congress of the United States, by proper legislation, to greatly effect economies in public expenses by cutting out duplication of effort, by the overlapping of various agencies which are performing practically the same functions, and at the same time to greatly promote the efficiency of the management and operation of our Government activities. I think this question is one of very great interest and of great importance to the American people. This ought not be a partisan question. All of us are naturally concerned about expenditures by our Federal Government. [Applause.]

I am glad for this response from the gentleman from the State of Pennsylvania, because I feel I have touched a sympathetic note in his heart when I make that statement. [Laughter and applause.]

However, as prudent legislators, we ought not overlook any possible opportunity to reduce the permanent expenditures of our Government by legislation of this character if it is possible to do so. I am not deceiving myself about the difficulty that will confront this committee appointed by the House. Already the Senate has set up a select committee for this same purpose and the President of the United States, as indicated in that letter and subsequently carried into effect, I understand, has appointed a committee upon the part of the Executive to make research along these lines. It may occur to some that it might be a waste of time or a conflict of jurisdiction to set up three different entities to investigate the same problem, but, of course, as pointed out in the President's letter, it is the purpose of those who are sponsoring this proposition that all three of those agencies shall collaborate in their efforts and shall undertake, as far as possible, to reach a common conclusion and to make recommendation to the Congress of the United States for its consideration.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman for a question.

Mr. MICHENER. Would these three separate agencies act separately or together? The gentleman said it was the purpose that they will work together. Will each committee be pursuing its own course, or will they work together?

Mr. BANKHEAD. I understand the gentleman's question, and I will answer it. Of course, under this resolution we will have a House committee. Under the Senate resolution there is a Senate committee, and under the President's action there is an executive committee. Although they may have individual entities as such, the purpose is, and I think the results will show, that there shall be cooperation in effort and investigation and in action at the end of their labors. That certainly is the thought the President had in mind, it is certainly the thought I had in mind in presenting this resolution for the appointment of the House committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield for a brief question.

Mr. RICH. A resolution was brought before the Committee on Expenditures in the Executive Departments, having for its purpose the appointment of a committee similar to the one provided for in the pending resolution. The gentleman from Missouri [Mr. COCHRAN] chairman of this committee, tried to secure the cooperation of the Senate for the appointment of a joint committee but met with no success. I cannot understand, if that was his experience, how the gentleman expects this effort to work out in harmony.

Mr. BANKHEAD. I was not, of course, familiar with the matter of which the gentleman speaks, but I think it will be entirely possible to secure the type of cooperation we seek. [Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, does the gentleman desire more time?

Mr. BANKHEAD. Unless there are some questions I think I have made the statement I desire to make. I hope the House will adopt the resolution. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I have sometimes wondered if the House is absolutely devoid of common sense when it comes to taking responsibility as to spending the people's money. I listened very intently to what the majority leader had to say in regard to this resolution. I am in entire accord with his statement concerning the need for a less extensive organization to run the various departments of the Government. There is no doubt but what there are duplications and many unnecessary commissions that have been established, especially during the last 3 years, and there is no doubt of this duplication, and it should be eradicated, but that is not the question before the House. The question is whether we shall have three separate investigations when the Senate has an investigation going at the present time. I do not consider a single statement the majority leader made as a real reason why the House should set up a committee of its own to make this investigation—an investigation similar to one the Senate is conducting at the present time. In fact, he carefully avoided the real question at issue. I understand, but I am not positive, that the President has also set up an executive commission to do similar work. Further along this same line I ask if anyone has ever known a case where three separate and distinct commissions were able to make an investigation of the same subject and agree in the final analysis of the proposition?

I wonder what made the President so deeply interested in this proposition all of a sudden that he sent a letter to the Speaker asking him to appoint a special committee? If I remember correctly, in that letter he said he was thinking about this last October. Why did he begin thinking then? As a matter of cold fact, does not the President have complete and entire authority to do every single thing suggested at the present time? Did he not receive that authority in the Economy Act passed 3 years ago last spring? Did not Mr. Douglas make complete investigation along this line and several recommendations? So far as I know, very few of his recommendations were ever carried out or put into effect.

Does anyone remember the House ever starting an investigation when the Senate already has investigating going on the same subject? So far as I know, that has never been the policy. There must be something back of this not mentioned in the President's letter; and, in my judgment, it is exactly this: The administration was afraid of the unfavorable developments that might possibly come out of the Byrd committee that has started this investigation in the Senate. If the President appoints a commission to act in cooperation with the Byrd committee, and if the House appoints another committee with that distinct purpose in mind, the probabilities are there will be enough New Deal sympathizers on this whole proposition that nothing will come out in the report unfavorable to the various New Deal commissions the President has established during his present administration. Is not this the real argument and reason back of the movement? If not, why should he ask us to duplicate work already being carried on by the Senate, and especially so since, if he wants this reorganization brought about, he already has the necessary power to do it himself? No new information has come out in regard to this.

Let me refer briefly to the attitude of the Senate in regard to these joint commissions, including members appointed by the Executive. The older Members of the House will remember that 6 or 7 years ago we started an investigation on the sinking of the submarine S-4. The House passed a resolution seeking the appointment of a joint commission to be composed of Members of the Senate, the House, and members appointed by the Chief Executive. This resolution was passed in the House. The Senate passed a joint resolution providing simply for a committee of the House and the Senate. The two Houses went into confer-

ence on the matter. I remember it well, because I was one of the conferees. We were in conference 3 or 4 months. The Senate took the position they would not yield to any such proposition as that contained in the House resolution. They said it is purely a question for the legislative branch, it is their prerogative, and we will not join in any commission a part of whose members represent the Executive. This matter was fully and completely discussed in the United States Senate, the leader in that debate at that time being the present Secretary of the Navy, Senator Swanson. It was also discussed by several Senators who are still Members of the Senate; and the Senate by an overwhelming vote sustained the position of their conferees—that they would not join in any such joint investigation. And I am reliably informed that they have expressed the same opinion in regard to a proposed investigation suggested by Members of the House on this same proposition.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from New York.

Mr. O'CONNOR. Is there anything that can prevent the President from appointing his own committee to look into this matter?

Mr. SNELL. Not a single thing in the world. He may do it any time he wants to; but I claim that doing it in this way, according to the letter which has been read, is purely a political proposition.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If I understand the gentleman correctly, he maintains that under the Economy Act passed on March 20, 1933, the President has the power to regroup, consolidate, and eliminate?

Mr. SNELL. Yes.

Mr. WHITTINGTON. May I remind the gentleman that the express terms of section 409 of the Economy Act provided that all recommendations and reports for regrouping should be submitted within 2 years. That 2 years expired on March 20, 1935, more than a year ago.

Mr. SNELL. That is even worse than I thought, because he has practically not made a single move or a single recommendation to the Congress in the 2 years.

Mr. WHITTINGTON. Is it not true the President submitted 17 reports and Executive orders before the 2 years expired, and made 17 regroupings and reconsolidations?

Mr. SNELL. Where are they and what became of them?

Mr. WHITTINGTON. They were all submitted to Congress, and I have a memorandum covering every one of them.

Mr. SNELL. The gentleman's party has been in control, but the recommendations and memoranda have never been offered to the House. The responsibility is on the gentleman's side and you have not done anything.

Mr. WHITTINGTON. Is it not true that under the terms of the law the recommendations did not have to be approved by the House or the Senate, and went into effect unless rejected by the House or the Senate?

Mr. SNELL. Has any of them been put into effect?

Mr. WHITTINGTON. Yes; every one of the 17 has been put into effect.

Mr. COCHRAN. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman does not seem to realize what the President has accomplished under the particular section contained in the Economy Act to which reference has been made.

Mr. SNELL. I know the President has not done away with one-tenth as many commissions as he has established new ones.

Mr. COCHRAN. That might be true. It cannot all be done in a few months.

Mr. SNELL. Well, that is all there is to the proposition; it is just political and for the purpose of having a majority on the committees that will protect the administration.

Mr. COCHRAN. The President sent 17 recommendations to the Congress, and when the Congress did not veto those

recommendations, as the law provided, within a given period, those Executive orders became law.

Mr. SNELL. The President has failed lamentably along this line. He has had this power all along, and the matter has been very poorly handled as far as this administration is concerned. The only reason for offering this resolution now is to try to prevent the Byrd committee from bringing out something that may be unfavorable to the present New Deal commissions and bureaus that have been brought into existence by the present administration and every man who has given it any thought knows it. There is no precedent anywhere for establishing this kind of a commission to work separately and independently from the others and then try to get something like unanimous recommendations as a conclusion.

The thing you should do at the present time, if you are not satisfied with what the Senate committee is doing, is to bring in a joint resolution making the recommendation that the Senate and the House do the investigating; but unless the Senate has changed its position, and it was very pronounced before, they will not join with the House in making this general investigation together with the executive commission appointed by the President.

Mr. President, I can see no reason whatever for this resolution except to add more expense and perhaps it will provide more Democratic jobs before the investigation is completed. If there was any real reason back of this, I think the majority leader would have presented it to the House. The only reason he has presented this resolution is on account of the general conditions which exist at the present time, and we all agree they do exist. However, I am absolutely opposed to having three separate commissions make this investigation at the same time and engaging in a duplication of effort. I doubt if there is a Member of this House who can give any reasonable excuse for making this investigation, except a lack of interest in spending the people's money. Therefore, Mr. Speaker, I hope the resolution will be defeated. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back 18 minutes.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, the gentleman from New York [Mr. SNELL] is an excellent legislator. He knows as well as I do that if the Senate is going to make an investigation in regard to reorganizing Government agencies a bill must be reported to the Senate, and if passed by the Senate and comes to the House it will go to a House committee, which committee, naturally, will be required to make some investigation before presenting a report to the House, unless the House has a committee working with the Senate committee.

In the last session of the Congress, when I was in the hospital, at the last meeting of the committee of which I happen to be chairman, a resolution was passed authorizing the chairman to appoint a subcommittee to make an investigation and to report to the full committee, which report would contain such recommendations as they might advance with regard to reorganization of Government agencies. I returned to my office about the middle of October after an absence of 6 months. I did not go home. I remained in Washington throughout the fall and winter and spent a great deal of time securing information for this subcommittee to work on when I could get a meeting. I wrote to every member of the committee and asked if they were in position to come back in December and serve on that subcommittee. The Members had been in Washington up to September, and naturally they wanted to stay at home. Nobody could blame them for that. I continued to prepare for the subcommittee which would be ready when Congress convened.

Mr. Speaker, I have in my office a pile of documents from every Government agency showing their set-up, the amount they are spending, the number of employees in every divi-

sion, together with the duties of those employees. When the Congress assembled in January I appointed a subcommittee to go into this matter. This requires a tremendous amount of work, as the gentleman from New York knows. Then came the Senate resolution. It was a Senate resolution, not a concurrent or joint resolution.

My subcommittee authorized me to confer with Senator BYRD, who introduced the Senate resolution, and I did on a number of occasions. I may say that Senator BYRD, I think, was very sympathetic with what I was trying to accomplish—have a resolution passed providing for a joint committee. In the end, however, a Senate committee was appointed. Senator BYRD said he would be glad to have a subcommittee of my committee sit in on the hearings and investigations which the Senate would make. Then the President announced he was going to appoint a committee. I personally called this matter to the attention of the President and last winter suggested that a committee be appointed by the President to make an investigation of all Government departments, to secure data upon which he could make recommendations to the Congress.

Despite the fact that the President was working night and day when we passed the Economy Act, giving him certain powers to effect reorganizations and consolidations, Mr. Roosevelt issued 17 Executive orders. Under that act the President submitted, as required, the Executive orders to the Congress; the Executive orders were referred to my committee, and in every instance the committee stood squarely behind the President. There was no recommendation of a veto, which power the Congress had, and after the required period the Executive orders became law. I am sure if the President had had the time he would have accomplished much more than he did; but you remember the condition of the country and what faced the President in the 2 years that he had the power to act. I have gone along with the President in the past and will do so in the future. He shows his desire to accomplish something more along this line by his action in appointing a committee to represent him. No one should say there is politics in this matter. It is too big a subject, one that the entire country is interested in. The gentleman from New York knows the opposition that develops when reorganization plans are submitted. It is my view the House and Senate committees, together with the President's committee, will work in harmony, and something worth while will develop as a result. Both political parties always mention reorganization and consolidation in their platforms. They will do so again this year, and the people will expect something to be done. The passage of this resolution, it appears to me, will be the proper way to get information that will result in beneficial legislation.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. COCHRAN. I yield for a question.

Mr. SNELL. Can the gentleman from Missouri, who is always an economist, give us any reason why we should make three separate and distinct investigations?

Mr. COCHRAN. I think the gentleman knows just as well as I know that the three committees will make a joint investigation.

Mr. SNELL. How are you going to meet the position which the Senate has always taken, that they will positively not have a joint investigation?

Mr. COCHRAN. The benefit will be that after any proposed legislation goes through the Senate you will have a House committee that will be advised in reference to such legislation and you will not have to start all over again and make an investigation after a bill comes here from the Senate. There is no doubt in my mind but that when the Speaker names the House committee the Senate committee will ask that the three committees work together.

Mr. SNELL. Is it not a fact that the archives of the Senate and House are full of information about all these matters and that we have had complete investigations, but nothing has been done?

Mr. COCHRAN. Yes; but our archives are not full of real information. The real information lies within the walls of Government buildings. How about the new agencies that have been created as a result of the emergency? No information is available about them.

Mr. SNELL. That is where this information was taken from.

Mr. COCHRAN. Yes; but you do not get real information until you get into the Government departments. In my opinion, this is certainly a step in the right direction.

The Committee on Expenditures in the Executive Departments has worked hard on this matter. It was ready to go ahead when the Senate stepped in with its investigating committee. Then the members of the subcommittee saw no reason to spend a great deal of time and bring in a bill, because the Senate would certainly have delayed action until the next session, because its committee will not report until then. I followed every suggestion of the committee, Democrat and Republican members being in full accord. Time after time I discussed the matter with Senator BYRD and others, and I can only repeat what I have said before, and that is when the Speaker names this committee I am confident, no matter who is selected, the Senate committee and the President's committee will be found working together at all times. If this plan is worked out, then when the time comes to offer legislation to carry out the recommendations of the committees the bill can be prepared by both committees and introduced in both Houses on the same day.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, this resolution provides for the triplication of the work of studying duplication. [Laughter.] As the distinguished leader of the Republican minority has well pointed out, two committees have already been appointed, one by the President and one by the Senate, to make the same study that this resolution proposes that a House committee shall make.

It is absurd to have three committees doing the same thing. What greater waste of time and money could be imagined? Reorganizing the executive departments is a job of experts. Is it proposed that these three separate committees shall employ three separate staffs of experts, have the same witnesses appear before the three different committees, and triplicate the work of one another in other respects?

Congress had an experience recently which shows how impracticable it is to have separate committees doing the same thing. They hinder rather than advance the cause for which they are appointed, and just naturally work at cross-purposes. At the last session of Congress both Houses appointed a lobby committee. Immediately each committee set out to outdo the other, not only in its work but in publicity. One vied with the other in subpoenaing important witnesses and to bring out their testimony first. The situation became so acute that in one instance a witness was actually threatened with punishment of contempt for failure to appear before one of the committees in answer to its subpoena when he was actually testifying before the other. The House committee soon saw the absurdity of the situation and very properly brought its investigation to a close as promptly as possible. The Senate committee is still functioning.

The appointment of three separate committees to reorganize the executive departments will delay rather than advance the cause of reorganization. If it is desirable—and I think it is—to have both branches of the Congress and the executive departments represented in such an investigation, then it ought to be done by one committee on which all three are represented. When I saw this matter coming along I introduced a resolution in the House of Representatives to provide for the appointment of a committee consisting of 15 members, 5 to be appointed by the President, 5 by the Senate, and 5 by the House of Representatives. Such a committee would do away with duplication and triplication of work and give all parties representation. My resolution is as follows:

House Joint Resolution 561

Joint resolution to create a Committee on the Reorganization of the Executive Branch of the Government

Resolved, etc., That a committee is hereby created to be known as the Committee on the Reorganization of the Executive Branch of the Government, which shall consist of 15 members, 5 individuals to be appointed by the President of the United States, 5 Senators to be appointed by the President of the Senate, and 5 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The President shall designate a chairman from among the members of the committee. Vacancies occurring in the membership of the committee shall be filled in the same manner as the original appointments.

Sec. 2. The committee is authorized and directed to make a full and complete study of all the activities of the departments, bureaus, boards, commissions, independent agencies, and all other agencies of the executive branch of the Government, with a view to determining whether the activities of any such agency conflict with or overlap the activities of any other such agency and whether, in the interest of simplification, efficiency, and economy any of such agencies should be coordinated with other agencies or abolished, or the personnel thereof reduced.

Sec. 3. That the committee shall report to both the Senate and House of Representatives the results of its inquiries, together with its recommendations, and shall prepare and submit bills or resolutions having for their purpose the coordination of Government functions and their most efficient and economical conduct, and the final report of said committee shall be submitted not later than February 1, 1937. The committee is authorized to employ such assistance as it may require, at such compensation as the committee may determine to be just and reasonable, and to make such reasonable expenditures as may be necessary for the proper conduct of its work, such expenditures to be paid in equal parts from the contingent funds of the Senate and the House of Representatives, as from time to time may be duly authorized by resolutions of those bodies.

Sec. 4. That the officers and employees of all executive services of the Government shall furnish to the committee such information regarding powers, duties, activities, organization, and methods of business as the committee may from time to time require, and the committee or any of its employees, when duly authorized by the committee, shall have access to and the right to examine any books, documents, papers, or records of any executive service of the Government for the purpose of securing the information needed by the committee in the prosecution of its work.

This question of the reorganization of the executive departments is perennial. It is usually particularly acute in campaign years. It is a great deal as Mark Twain is alleged to have said about the weather, "Everybody talks about it all the time, but no one ever does anything about it."

I think it is safe to say that those who have considered and studied the question the most are in general agreement that the most effective way to bring about a reorganization of the executive departments is to give the President power to reorganize them by Executive orders. Every attempt over the years to do it by legislative action has failed. Log-rolling, bickerings, jealousies, ambitions, prejudices, and play for party advantage combined have been powerful enough to block all legislative attempts at reorganization in the past, and there is no reason to believe that conditions in that respect will be any different in the future. The President is the only one who can do the job, and it takes a great deal of force of character and determination on his part to do it.

After the President's letter to the Speaker, which the gentleman from Alabama had read from the Clerk's desk, the Washington Star had an editorial which states the situation. I want to read it, or extracts from it. It starts out by quoting the first sentence of the letter of the President to the Speaker, as follows:

"Last October", the President writes, "I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government."

Then the editorial continues:

President Theodore Roosevelt held similar conversations with interested and informed persons. President Taft's conversations with similarly interested and informed persons brought into being the Commission on Economy and Efficiency, which developed into the Bureau of Efficiency, now dead. Under President Harding, as the result of many conversations, there was created the Joint Congressional Committee on Government Reorganization, with Walter Brown as chairman.

President Coolidge transferred, by Executive order, the Bureau of Mines and the Patent Office from the Department of the Interior to the Department of Commerce. President Hoover, after extensive

conversations and some work within the different departments, concluded that the only effective way to reorganize the executive branch of the Government was through Executive orders issued with the permission of Congress to go ahead and do what he thought best. President Roosevelt made several references during the campaign to the need for consolidations and reorganization in the Government service, and Congress granted him broad authority along such lines through the Economy Act. One of the results was the abolition of the Screw Thread Commission.

As Gratiano exclaimed in mockery to Shylock in the Merchant of Venice:

A Daniel, still say I; a second Daniel!
I thank thee for teaching me that name.

So might the writer of this editorial have exclaimed to the President, "Conversations, still say I; conversations! I thank thee for teaching me that name."

The Star editorial continues:

This year Senator BYRD, of Virginia, has been active in his demands that something be done about reorganization, and the Senate has just created a special committee and appointed advisory experts to look into the matter. Dr. Luther H. Gulick and Louis Brownlow were two of the five experts so chosen. The Byrd resolution was introduced February 24 and passed only a few days ago. But President Roosevelt, in his letter to the Vice President and the Speaker, says he began thinking about the same thing last October. So the President apparently has first claim to the idea, which entitles him to choose, as two members of his three-man commission, Dr. Luther H. Gulick and Louis Brownlow.

The President is anxious for the creation of a House committee that will work with his own commission and Senator BYRD's committee—all the reporting to be done to the next Congress, next January, after the election.

While the President's reorganization proposals are aimed specifically at examining the greatly enlarged executive establishment resulting from New Deal recovery activities and determining what temporary agencies can be abolished, merged with other agencies, or given a permanent status, all reorganization schemes finally come up against the same thing, namely, that the only reorganization which saves money is the reorganization that results in discharge of personnel. And the discharge of personnel always gives politicians a severe headache, for it hurts people back home.

I call attention particularly to the statements in the closing paragraph of the editorial:

The more committees and commissions involved in reorganization, the less chance there is for any effective reorganization. Neither House of Congress is willing to surrender its own prerogatives in matters relating to the public pay roll, and Congress is not willing to give the President the arbitrary authority he really needs. The latest reorganization plan will be watched with interest, but not with any great amount of confidence in the results.

It will be recalled that a joint committee on the reorganization of the executive departments of the Government was appointed early in the Harding administration and a representative of the President was made chairman of that committee. The distinguished gentleman from New York [Mr. WADSWORTH], then a Member of the Senate, took an active part in the work of that committee as one of the Senate members of it. I was one of the House members.

That joint committee, after an extensive and exhaustive study, submitted a bill to reorganize the executive departments, which was introduced in both Houses of Congress. It is no secret to say that the Democratic leadership in both branches blocked the enactment of that bill into law, and the work of the committee went for naught.

Later, President Hoover was given authority to reorganize the departments, to reduce their number and eliminate overlapping and duplication, by Executive orders, but the law giving him that authority provided that such Executive orders should be transmitted to Congress, and that if either branch of Congress within 60 calendar days after their transmittal should pass a resolution disapproving them, they became null and void. In accordance with the authority granted him under the law, President Hoover transmitted to Congress on the 9th day of December 1932 a message containing a number of Executive orders reorganizing the departments upon an extensive scale, but the House of Representatives, controlled then as now by the Democratic Party, passed a resolution under date of January 19, 1933, disapproving all the Executive orders submitted by President Hoover at that time, thereby blocking the whole reorganization program, notwithstanding the loud protestation and promises of the President and the Democratic Party generally in the campaign which had just closed, for a thorough

reorganization of the departments and a reduction of governmental expenditures.

The Economy Act of March 20, 1933, which was passed with such a blare of trumpets at the beginning of this administration, gave President Roosevelt full power to reorganize the executive departments by Executive order without restriction, without retaining in Congress the power to veto his action, such as was done in the case of President Hoover. President Roosevelt was required to act within 2 years from the passage of the Economy Act, as has been pointed out by the gentleman from Mississippi [Mr. WHITTINGTON], but no action under that authority was ever taken by him. Now, as another campaign approaches, we are asked to pass this resolution. No one expects anything to be accomplished by it before the election, but it will give an opportunity for Democratic spellbinders during the campaign to tell what they intend to do if they are continued in power. Its principal purpose no doubt is to give the administration an excuse for its failure to act and to hold more conversations during the coming campaign.

In the light of what has transpired during the last 3 years, it is interesting to read the plank in the Democratic platform of 1932 on this subject of the reorganization of the executive departments and the reduction of governmental expenses. Here it is:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

Mr. RICH. Will the gentleman yield? The gentleman knows that when the Democratic administration came into power there were 61 major departments of the Government, and that they have established 41 new ones, after their promise to cut down 25 percent.

Mr. MAPES. Yes; expenses of the Government have multiplied, and bureaus have increased, as the gentleman from Pennsylvania has said, in direct violation of the platform and campaign promises of the party in power. That is common knowledge.

Mr. Speaker, there is no one more in favor of doing away with duplication and waste in Government service than I am; and if I thought that this resolution would help at all to do away with it, I would support it most heartily. But, believing, as I do, that it will have the opposite effect, I shall vote against it. [Applause.]

Mr. Speaker, I yield back the balance of my time.

MY RECORD IN CONGRESS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER pro tempore (Mr. WALLGREN). Without objection, it is so ordered.

There was no objection.

Mr. NICHOLS. Mr. Speaker, ladies, and gentlemen, this is the time of the year when we start casting our balances, checking up on the promises that we have made to those who elected us, and seeing how the record that we have made looks in the light of our campaign pledges.

I am going to ask your indulgence for a few minutes while I make a survey of my record as compared with what I told the voters of the Second Oklahoma District when I was campaigning for election.

OLD-AGE PENSIONS—SOLDIER BONUS

Old-age pensions and the soldier bonus were the two principal planks in my platform 2 years ago.

The first speech I made in Congress—on the opening day of the session on January 3, 1935—was in favor of payment of the soldier bonus. I kept working on this, along with the leaders of Congress and representatives of the service organizations, such as the American Legion and Veterans of Foreign Wars, until this year we succeeded in enacting this law.

I have received many letters from veterans in my district thanking me for this service, and saying they intend to use their bonus money to buy farms or small businesses, which will make them independent again.

I made numerous speeches upon the old-age-pension proposition, in Congress, in Oklahoma, Washington, and several other States and over the radio, and am glad to state that I voted for the first old-age-pension law ever passed by Congress, the Social Security Act, passed last year. I tried in vain to have this amended so that direct Federal payments would be made in all States, but am glad to say that now the Social Security Board is matching payments made to old persons in Oklahoma by the State welfare board as a result of this law, despite the fact that Oklahoma has no statute law providing for pensions.

THE FARMER

When I ran for Congress 2 years ago I carried every farming precinct in the district except two. I value the friendship of the farmers more than I can tell and have devoted a large portion of my time in Washington to consideration of their problems.

I said in my campaign speeches that I believed the main thing that the farmer should do was to conserve the moisture and the soil. I said I was in favor of flood control and, if possible, navigation of our streams, but that I believed that the most important thing was to prevent the enormous loss of fertile topsoil and precious water, especially needed in our section of the country. I pointed out also that these three problems could be solved together. Storing the water upon the farm would certainly cut down soil erosion and materially decrease loss from floods.

The first bill I introduced in Congress was to provide for the creation of the Soil Conservation Service as a permanent agency of government. This was passed and the Soil Conservation Service is now the key agency of the Nation's farm-relief set-up. Farmers are to receive payments this year for cooperation in soil conservation. They are to receive the help of the Federal Government in protecting their land.

REDISTRIBUTION OF WEALTH

I said when I ran for Congress 2 years ago that I favored a more equitable distribution of wealth and that it was my opinion that this would have to be brought about by a revision of the tax system to break up big fortunes. When I outlined my program over the district some of my listeners termed me as a "wild-eyed radical."

But at the last session of Congress President Roosevelt called for an increase in the income-tax and inheritance-tax rates upon the very rich, which was a part of my program. I was glad to vote for this and am glad to say that the bill was passed.

However, too many millionaires escaped payment of their income taxes by diverting their money into private companies, where it was held as "undivided earnings" of the company, and therefore not subject to income taxes. By this means, some of our wealthiest men kept increasing their wealth without paying taxes. So this year we are tightening up by providing that undistributed earnings of corporations will be subject to tax.

The new corporation tax bill will be chiefly felt by the private corporations set up especially to avoid taxes, and the 200 biggest corporations of our country control more than half the assets of all the 257,000 corporations of the country. It is believed that the new plan will decrease the amount of taxes to be paid by 214,000 corporations with less than \$10,000 earnings a year.

I am in favor of taking care of the little fellows; the big boys can take care of themselves.

I am also a member of the executive committee formed to bring about passage of the equal opportunity in business bill—the Patman-Robinson bill—which would outlaw secret rebates and other unfair advantages to the big chain-store and mail-order systems.

EDUCATION

I promised if elected that I would make my appointments to the United States Military Academy at West Point and the United States Naval Academy at Annapolis upon a merit—not a political—basis and give all the boys in the district an opportunity to obtain one of these appointments.

This has been done. I have made three appointments. Boys in Okmulgee, Henryetta, and Muldrow have been named to vacancies. One in Muskogee is next in line. Three of these boys are the sons of widows. All were victorious in district-wide elimination contests conducted for me by the State superintendent of schools.

I have boosted the National Youth Administration and am glad to say that I have been promised that this agency to assist in the education of our young people will be continued.

Incidentally I was able to be of service to most of the common schools in my district by blocking a plan to reduce the payments made for tuition of Indian children by the Federal Government. These funds are an important part of the finances of a big part of the schools in my district.

MONEY

I said 2 years ago that I favored an expansion of our currency. I still do. I favored the Patman plan for paying the soldier bonus without a bond issue. I favor the Frazier-Lemke bill for putting the credit of the Federal Government behind the American farmer.

I regret to say that our currency has been expanded only slightly. We still have metallic reserves of gold and silver in our Treasury vaults in excess of \$5,000,000,000, against which there is not one dollar of money in circulation. Against this we could issue currency to the amount of \$5,000,000,000 in excess of that which is now in circulation and still have 100 cents on the dollar of metallic reserve behind all of our circulating currency. This would not be inflation. Inflation means issuance of money backed by air or nothing.

Our dollar is still too high. It is worth \$1.30, roughly, as against the ideal of \$1 of 100 cents, as prevailed in 1926. Until we get our dollar back to 100 cents our farmers and those who are in debt and must repay obligations will be fighting an uphill battle, and will give up \$1.30 worth of their crops and labor to secure a dollar in currency.

LABOR

I said in my campaign that I would favor those measures supported by organized labor. I have done so. I am glad to report to my colleagues that the members of organized labor in my district, as over the entire Nation, recognize the fact that the Democratic administration has done more for the workingman than any administration since that of Woodrow Wilson and that practically 100 percent of the members will vote Democratic in November.

RECOGNITION

Coming to Congress for a first term, I was elected vice president of the New Members' Club, composed of the 100 first-termers, last year. I have enjoyed working with these freshmen Congressmen very much and have formed many warm friendships which I know will last through the years.

I have obtained the cooperation of the departments in Washington and was successful in bringing five C. C. C. camps to the district, as well as two soil-conservation service demonstrational areas. I was able to get the first hospital for members of the Five Civilized Tribes ever erected in my district. I brought one of the two Resettlement Administration projects in the State to my district.

When it became known that an order had been issued for the closing of 700 out of the 2,158 C. C. C. camps in the Nation, including 2 in my district, I was chosen chairman of the group in the House which opposed this and brought about a new order to keep all camps open. I have in my files letters from more than 100 Congressmen thanking me for my leadership in this fight.

I have been selected by the Democratic National Committee to make speeches on behalf of the party in doubtful

States and have made more than 20 such speeches already. I will make as many more as I can.

My work on the important Rivers and Harbors Committee of the House of Representatives has won me recognition by, and a place on, the board of directors of the National Rivers and Harbors Congress, and at the thirty-first annual convention of this organization, recently assembled in Washington, I was elected national vice president of the organization and made chairman of its finance committee.

I was, on April 29, selected as one of a commission of nine to select an airport for the Nation's Capital. Three of these members were appointed by the President of the United States, three by the Vice President, and three by the Speaker of the House of Representatives.

CONCLUSION

Coming to Congress as a country boy serving his first term, I was more or less worried as to whether or not I would fit into the congressional picture and the scheme of things here. I am told, Mr. Speaker, by many of the leaders of the House that my accomplishments here have been remarkable for a new Member of Congress. These statements have made me very happy; and if I have had some success, I want to take this opportunity of thanking the Speaker of the House and the other leaders of the House of Representatives for their very kind treatment given me, and to assure you that without their cooperation and their kind guidance that my record would not be nearly so imposing as it is.

I believe that the leaders of public opinion, and the people generally in my district, know that I have tirelessly worked at my job, fighting for their best interests, and are satisfied with my record. I am a candidate for reelection. Several others have also filed, but I wish to assure you, Mr. Speaker and ladies and gentlemen of the House, that I will be in your midst again during the next session of Congress ready and willing to take my place on the battle front to complete the job which was started at the outset of this administration. [Applause.]

I have not been able to find jobs for everyone that wanted them. Sentiment for me is not unanimous. I do not expect it to be. However, I would appreciate it very much and really expect to receive enough votes in the first primary on July 7 so that a run-off will not be necessary. [Applause.]

CALL OF THE HOUSE

Mr. MILLARD. Mr. Speaker, I raise the point of order that there is no quorum present. This is an important matter and we should have a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. O'CONNOR. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Adair	DeRouen	Higgins, Mass.	Richards
Andrew, Mass.	Dies	Hill, Knute	Richardson
Andrews, N. Y.	Dietrich	Hoeppel	Rogers, Okla.
Ayers	Driscoll	Hoffman	Romjue
Berlin	Duffey, Ohio	Houston	Ryan
Bland	Dunn, Miss.	Huddleston	Sabath
Bolton	Dunn, Pa.	Jenckes, Ind.	Sadowski
Boykin	Eaton	Jenkins, Ohio	Sanders, La.
Brennan	Ekwall	Johnson, Okla.	Scruggam
Brooks	Faddis	Kee	Short
Bulwinkle	Farley	Keller	Stack
Burch	Ferguson	Kloeb	Starnes
Cannon, Wis.	Flesinger	Larrabee	Steagall
Carmichael	Fish	Lee, Okla.	Sweeney
Cartwright	Flannagan	Lewis, Md.	Taylor, Colo.
Cary	Focht	McGroarty	Taylor, Tenn.
Chapman	Frey	McSwain	Thomas
Christianson	Gambrill	Maloney	Thompson
Claiborne	Gasque	Mead	Treadway
Clark, Idaho	Gassaway	Montague	Turpin
Collins	Gavagan	Montet	Utterback
Cooper, Ohio	Gray, Pa.	Oliver	Welch
Creal	Green	Parks	Wigglesworth
Crosby	Gregory	Patman	Wilson, La.
Daly	Hamlin	Peterson, Fla.	Wood
Darden	Hancock, N. C.	Quinn	Young
Dear	Harlan	Rayburn	Zioncheck

The SPEAKER. Three hundred and eighteen Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

SELECT COMMITTEE TO INVESTIGATE EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the resolution under consideration contemplates a reduction in the expenses of government. I know of no more important, and, at the same time, more difficult problem.

Many efforts have been made to coordinate and abolish executive agencies but few have succeeded.

Reference has been made to the work of a joint investigating committee of Congress, to their recommendations, and to the fact that they were not adopted. Merely transferring functions from one agency to another does not result in economy. There can be no real reduction in governmental expenditures unless overlapping is abolished and unless personnel is eliminated.

Again, it has been said that the Senate has appointed a committee and that there should be a joint committee. Such a committee is not essential. The Senate and the House are coordinate branches of the legislative department. Each branch has its committees. In order to function they must cooperate. The House has its Committee on Appropriations. That committee conducts its hearings. The Senate has its Committee on Appropriations. There is no duplication in the hearings. The hearings before one committee are available to the other. It is necessary for the committee of the two houses on all legislation to cooperate. It is expected that the committee provided by the pending legislation will cooperate with a similar committee in the Senate. There should be no duplication of expenditures by the committees. I feel sure that joint hearings can be arranged; moreover, I believe that there will be cooperation between the representatives of the Executive, the Senate, and the House.

EXECUTIVE AUTHORITY

Public Act 212, approved June 30, 1932, eliminated certain agencies, consolidated others, and provided for regroupings. In addition, it authorized the President to regroup, consolidate, and abolish.

President Hoover, defeated for reelection in November 1932 by Franklin D. Roosevelt, transmitted a message on December 9, 1932, providing for regrouping. He submitted substantially no facts and gave no reasons for the proposed Executive orders. He did transmit as a part of his message a discussion prepared by the Director of the Budget. Col. J. C. Roop was the Director of the Budget at the time, and he prepared the Executive orders.

Under the act of June 30, 1932, the Executive orders of the President became effective unless either the House or Senate within 60 days rejected the orders. They were referred to the Committee on Executive Expenditures in the House; hearings were conducted; the Director of the Budget appeared and very frankly stated that in his opinion no substantial economies would result from the so-called consolidations; that it was impossible to determine what amount, if any, could be saved; and in conclusion he stated that in his opinion it would be unwise for the Executive orders to become effective on the eve of the inauguration of a new President. It appeared that the Executive orders effected no economies, but merely left to the executive agencies the matter of reducing personnel.

There were fundamental objections to several of the orders. It was provided that the General Accounting Office was to be transferred to the Bureau of the Budget. Aside from being wholly undesirable, it was exceedingly doubtful whether or not under the law the President had the right to make this transfer. The Accounting Office is not an executive office; it was not created by Executive order; it was provided for by an act of Congress.

Again, the United States Employees' Compensation Commission was not abolished, but its functions would have been divided between the Department of Labor and the Civil Service Commission. There would have been an increase in expenditures rather than a reduction.

It was universally conceded that the consolidations merely provided for the transfer from one agency to another and that no substantial economies would result.

There were other fundamental objections to the orders. The work of flood control was to be transferred to the Department of the Interior. Colonel Roop, the Director of the Budget, admitted that there was an oversight in not providing that the work was to be done under the supervision of the Chief of Engineers of the Army.

Moreover, it appeared that the powers of the Executive, to be effective, should be broadened. Under the act the President was not vested with broad enough power to enable the Executive to redistribute functions, make eliminations, prevent duplications, and thus reduce expenses.

I am now, and was at the time, a member of the Committee on Expenditures. I have given much time and a great deal of study to economy in the administration of government. I am familiar with the efforts that have been made to prevent overlapping and to eliminate duplications. It was apparent that the Executive orders submitted by President Hoover were hastily and carelessly drawn. My remarks are to be found in the *RECORD* of Thursday, January 19, 1933, page 2183. The Director of the Budget stated that he thought it would be unwise for Congress to approve the consolidations recommended by President Herbert Hoover; he felt that the President who made the economies and under whose administration the eliminations must occur should have a voice in the Executive orders. Thereupon the committee reported and the House adopted a resolution disapproving the consolidations recommended by President Herbert Hoover, and thereby adopted the view of President Hoover's Director of the Budget, who frankly stated substantially:

Personally, I think it would be wise not to approve the consolidations recommended by President Hoover.

Subsequently on March 3, 1933, certain reorganizations of the executive departments were made. Congress approved the elimination of certain agencies and the consolidation of others. The Executive was given more plenary power in Public Act 428, which was the annual appropriation for the Post Office and Treasury Departments for the fiscal year 1934, in the act approved March 3, 1933.

Again, in the Economy Act approved March 20, 1933, sections 407 and 409 were amended, section 409 providing that all Executive orders providing for regrouping should be transmitted within 2 years from the date of the act which was March 20, 1933.

The gentleman from New York [Mr. SNELL] made the statement that the President had the power to consolidate and regroup. He is in error. The power expired on March 20, 1935; he is without power to eliminate and to regroup without authority of Congress.

Again, the distinguished minority leader [Mr. SNELL] made the statement that, while the President had the power to regroup and to eliminate, he took no action. The fact is that he made substantial coordinations, reductions, and eliminations.

Congress provided for certain economies and reductions in the Economy Act, to which I have referred. The Executive was given power to make many others. During the 2 years that the President had the power to coordinate, regroup, eliminate, and abolish, he transmitted 17 Executive orders to Congress, all of which were approved.

SEVENTEEN EXECUTIVE ORDERS BY PRESIDENT FRANKLIN D. ROOSEVELT

Under the leave to revise and extend my remarks, I include the 17 Executive orders issued by President Roosevelt before the expiration of the 2 years and under the authority given to the Executive by Congress, as follows, to wit:

SEVENTY-THIRD CONGRESS, FIRST SESSION

June 10, 1933, House Document No. 69: Procurement; national parks, buildings, and reservations; investigations;

disbursements; claims; insular courts; solicitors; internal revenue; Assistant Secretary of Commerce; Official Register; statistics of cities; Shipping Board; National Screw Thread Commission; immigration and naturalization; vocational education; apportionment of appropriations; coordinating service; general provisions; appropriations.

SEVENTY-THIRD CONGRESS, SECOND SESSION

January 8, 1934, House Document No. 210: Veterans.

January 23, 1934, House Document No. 224: Veterans.

February 6, 1934, House Document No. 240: Revoking section 18 of Executive order of June 10, 1933, which called for partial abolishment of cooperative vocational education and rehabilitation; payments for agricultural experiment stations; cooperative agricultural extension work; endowment and maintenance of colleges for the benefit of agriculture and mechanic arts.

February 22, 1934, House Document No. 262: Transfer of Bureau of Mines from Commerce to Interior.

February 26, 1934, House Document No. 265: Revoking so much of section 2 of Executive order of June 10, as provided for the transfer to the Department of State of the administration of national cemeteries located in foreign countries, and transferring to the American Battle Monuments Commission the administration of national cemeteries and memorials located in Europe.

March 1, 1934, House Document No. 270: Revoking so much of section 1, Executive order of June 10, 1933; Federal Employment Stabilization Board.

March 10, 1934, House Document No. 281: Consolidating the executive agencies engaged in enforcement of internal-revenue laws.

March 27, 1934, House Document No. 296: Affecting veterans.

April 7, 1934, House Document No. 298: Transfer to Civil Service Commission duties of Veterans' Administration pertaining to retirement acts, Canal Zone.

April 6, 1934, House Document No. 299: Veterans.

April 17, 1934, House Document No. 308: Abolishing Geographic Board.

May 1, 1934, House Document No. 337: Abolishing Alien Property Custodian Office and transfer of functions to Justice Department.

May 4, 1934, House Document No. 356: Veterans.

May 29, 1934, House Document No. 390: Establishing Division of Territories and Island Possessions in Department of the Interior.

SEVENTY-FOURTH CONGRESS, FIRST SESSION

February 8, 1935, House Document No. 97: Veterans.

March 19, 1935, House Document No. 141: Veterans.

Probably the outstanding of all the orders was the order of June 10, 1933, providing for the establishment of the Procurement Division, that has resulted in the saving of millions of dollars to the Government; for consolidating the national parks, buildings, and reservations; for investigations in the Department of Justice; for the establishment of the chief disbursing officer; for the abolition of the Federal Coordinating Service; for the consolidation of the Bureaus of Immigration and Naturalization; and for the transfer of the Shipping Board to the Department of Commerce.

As I stated in the beginning, economy in Government means the elimination of personnel. It is difficult for the Executive; it is most difficult for Congress. As a result, bureaucracy has multiplied; there are many overlappings; there are many duplications; there is much extravagance.

Congress approved the 17 Executive orders issued by President Franklin D. Roosevelt. In the emergency, additional executive agencies have been established; but Congress cannot escape responsibility by saying that the Executive should reduce and economize. The record speaks for itself. President Franklin D. Roosevelt, under the authority that was conferred upon him for 2 years, which expired more than a year ago, effected more regroupings, coordinations, and proper transfers, and made more eliminations than Congress had made since the World War; moreover, President Franklin D. Roosevelt, in the greatest emergency that our country has ever known, while waging vigorously the campaign

against the depression, is the only President that has effected any regroupings by reducing and coordinating during the past 16 years.

It is now time to correlate the emergency agencies with existing agencies. Recovery is returning. The Committee on Expenditures gave careful consideration to coordinating and reduction in the expenses of Government during the past session. It has been in touch and in contact with those interested in promoting reductions in the Senate.

Independent action by either branch will not accomplish the desired results. It is evident that neither the committee nor any select committee by the House can accomplish the desired results without cooperation with the Senate and with the Executive.

Personally I am inclined to the view that a joint resolution would have passed the Senate if it had been practical. In the circumstances the best resolution that could be passed was obtained. The usual system will prevail. The usual rule is for the House to appoint its own committee. I repeat that experience and study have demonstrated that the best way to promote economy in Government is for the legislative branch to vest the authority in the Chief Executive. The functions of government have expanded; careful studies and investigations are required. The resolution provides for cooperation between the President, the Senate, and the House. It is timely and should be adopted.

Personally a joint committee might have been more desirable, but practically the same results can be obtained. If the purpose be to economize, eliminate, and reduce the expenditures of Government, there will be no difficulty about separate committees; they will both cooperate with each other and with the Executive. There must be economy, efficiency, and simplification in the Federal Government. The adoption of the proposed resolution is a necessary and important step in the solution of the problem.

There is need for fostering and crystallizing public opinion that will demand a reduction of expenses of the Government. Careful studies, impartial investigation, and courageous committees can render the Congress and the country a great service.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. In just a moment, if I have the time, I will be glad to yield.

Now, Mr. Speaker, I agree with the view that generally the best way to eliminate and to reduce is to give the Executive the power and the Congress the right to approve or disapprove, because, I repeat, it is most difficult either for the Executive or for Congress to reduce, because to reduce means to eliminate. It means to cut down expenses. It means that somebody must lose his position. I repeat that this resolution contemplates cooperation with the committee appointed by the Senate and with the committee already announced by the Executive, because there can be no savings of expenditures in the Government unless the President, the Senate, and the House of Representatives agree. Personally I believe the Senate would have adopted a joint resolution, but there evidently was difficulty in securing the resolution that was adopted.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I would be glad to, but my time has expired.

Mr. RICH. The gentleman did not want to yield. I wanted him to show where there was any saving.

Mr. WHITTINGTON. The gentleman is in error about that. I had only 5 minutes and my time has expired, otherwise I would gladly yield.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this is an important resolution. We have heard the history of previous attempts to consolidate the departments. Several committees have been set up. Reports have been made, as here stated. The purpose of this resolution is most laudable, but as a practical matter, is this the course to pursue? The Senate has al-

ready set up the Byrd committee, which is functioning. We all know Senator BYRD. We know his views on consolidation, and it seems to me that we have no right at this time to question the sincerity of the efforts being made by the Byrd committee. Since the Byrd committee is functioning, and the President, we are told today, has created another committee, which is going to function along the same lines, this resolution now provides for the setting up of another or third select committee to do exactly the same thing. The majority leader [Mr. BANKHEAD] tells us that it is hoped and presumed that those committees will synchronize, that they will work together, that they will aim at the same objectives, but there is a way to make that thing sure. If that is what we want to do, let us adopt the resolution suggested by the gentleman from Michigan [Mr. MAPES], which is now pending before the Congress, and set up this joint committee, which must synchronize, which must consider and act together, and which must report back to the several agencies creating it.

Where is the committee, whichever committee you refer to, going to get its information? It is going to get it from the departments, from the executive branches, and exactly the same information, if it is of any value, must be presented to each of the three committees. We all know what an investigation of this kind means to the departments. We know the extra expense to the departments; we know that men must be detailed by the departments to make studies and to appear before the committees and give evidence. That all takes time, it takes personnel, it is expensive. Is this sensible House going to require these departments to go through three different procedures, to give the three different bodies the same information? Oh, it is easy to suggest, as was just suggested by the gentleman from Mississippi [Mr. WHITTINGTON], that it is presumed that these committees will all work together. I have been informed within the last 10 minutes that the head of the Senate committee has advised one of the House Members on the Committee on Expenditures that anybody from the House who wants to can sit in at their hearings, but that whoever does will have no official position or standing there. If that is true, then that absolutely does away with every suggestion or presumption of coordination that might have been made here.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Not now. So that the thing for us to do here is to turn down another committee or commission. As a matter of fact, we are attempting to eliminate, and at the same time are setting up three committees, each of which is to do the same thing. In the name of economy, efficiency, and common sense let us not create another overlapping, duplicating, and money-spending agency.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Speaker, it is rather difficult to follow the opposition to this resolution. The gentleman who last spoke, the distinguished gentleman from Michigan [Mr. MICHENER], said that the purpose of the resolution is "laudable." The other distinguished Member from Michigan, among the many distinguished Members from that Democratic State [Mr. MAPES], has introduced a resolution to accomplish the very same purpose. The distinguished minority leader [Mr. SNELL] did not attack the purpose of the resolution. His only complaint was that three committees were being set up to accomplish an identical purpose. Of course, the answer to all this is that we are in an election year. Our opponents want to preserve what they think is some ammunition against us. We have heard in this House and we have read in the press and we have heard over the radio about the great multiplication of bureaus and commissions. It is even alleged that we have outdone Mr. Hoover in creating bureaus and commissions, and that is some contrast. I fear that even the distinguished gentleman from Pennsylvania [Mr. RICH], who has complained about the multiplication or triplication of bureaus by 41 or more, is going to vote against this resolution, which we present as a sincere attempt to make an effort to reorganize the Government and reduce the number of de-

partments, boards, bureaus, commissions, and possibly the personnel of the Government.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. For a brief question.

Mr. RICH. If I knew that this is an honest and sincere effort to do that, God knows that I would be for it; but I am afraid you are going to do what you have been doing, boondoggling and fooling the public. If the gentleman gives us any assurance that they are not going to fool us, I will vote for it.

Mr. O'CONNOR. Oh, the gentleman is not going to vote for it, and no Member of his party is going to vote for it, because they want to preserve the status quo until after November. That is obvious to the people of this country as well as it is to us.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. WARREN. The last economy investigation that we had was in 1932. The House did everything but strike out the enacting clause to the bill which that committee brought in. That committee, a very distinguished committee, was appointed and did not ask for any appropriation, nor did they get aid to carry out the investigation. Is it contemplated that this committee is going to come in and ask for funds to carry on this investigation?

Mr. O'CONNOR. I have heard no indication about that whatsoever. I have never heard it intimated that funds were going to be requested. Perhaps this committee could operate without special funds. I do not know.

The distinguished minority leader was content, if I follow the logic of his argument, to leave the reorganization of the Government to a Senate committee, the so-called Byrd committee, as though this House, of which he is such an outstanding Member, had nothing to do with it. Any reorganization of this Government must come to Congress, irrespective of the President's special committee. It may come to the House in the first instance, but it surely has to come here in any instance, irrespective of what any Senate committee may recommend.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield for a brief question.

Mr. RICH. If the chairman of the Committee on Rules would cooperate with the chairman of the Committee on Expenditures in the Executive Departments, the gentleman from Missouri [Mr. COCHRAN], who tried to persuade the Senate to appoint a joint committee, some results would really be obtained. The gentleman from Missouri [Mr. COCHRAN] is sincere, I believe, in trying to get these committees together, and if the gentleman would use his efforts, too, I believe we could accomplish the results desired.

Mr. O'CONNOR. The majority members of the committees of the House always do cooperate, and that is what annoys the gentleman from Pennsylvania. It is a paradox to me that the party out of power, while complaining about waste, extravagance, increasing personnel, increasing bureaus and agencies, always opposes any reduction until after the election, because if they did, we steal their thunder. This will be evidenced here today by a united vote on the minority side against this resolution.

Our distinguished majority leader said that the carrying out of the purposes of this resolution would be a courageous effort. I agree with him in this statement. This committee should necessarily be composed only of courageous men and women. I do not know why anybody should seek membership on the committee, because they will have to stand against all the threats of Federal employees, all the threats of this bureau or that department, all the persuasions of the beneficiaries of these bureaus, just as was experienced by the members of the Economy Committee. A member of this committee has got to be a courageous statesman who will yield to no bloc, to no group, and to no beneficiary of the Federal Government. If I were Dr. EATON, of New Jersey, I might well say, "The Lord have mercy on their souls." [Applause.]

Mr. Speaker, I move the previous question.

The SPEAKER pro tempore (Mr. WOODRUM). The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question recurs on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 120, noes 32.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. Obviously there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 269, nays 44, answered "present" 1, not voting 113, as follows:

[Roll No. 81]

YEAS—269

Amle	Doughton	Kramer	Rankin
Andresen	Doxey	Lambeth	Reece
Arends	Drewry	Lamneck	Reilly
Ashbrook	Driscoll	Lanham	Rich
Bacon	Driver	Lea, Calif.	Risk
Bankhead	Duffy, N. Y.	Lemke	Robertson
Barden	Duncan	Lewis, Colo.	Robinson, Utah
Barry	Dunn, Pa.	Lewis, Md.	Rogers, N. H.
Beam	Eagle	Lucas	Russell
Beiter	Eckert	Luckey	Sanders, Tex.
Bell	Edmiston	Ludlow	Sandlin
Biermann	Elcher	Lundeen	Sauthoff
Binderup	Ekwall	McClellan	Schaefer
Blanton	Ellenbogen	McCormack	Schneider, Wis.
Bloom	Engel	McFarlane	Schuetz
Boehne	Evans	McGehee	Schulte
Boileau	Fish	McGrath	Scott
Boland	Fitzpatrick	McKeough	Sears
Boylan	Fletcher	McLaughlin	Secrest
Brooks	Ford, Calif.	McLean	Shanley
Brown, Ga.	Ford, Miss.	McLeod	Shannon
Brown, Mich.	Fuller	McMillan	Sirovich
Buchanan	Fulmer	McReynolds	Sisson
Buck	Gearhart	Maas	Smith, Conn.
Buckley, Minn.	Gehrmann	Mahon	Smith, Va.
Buckley, N. Y.	Gilchrist	Main	Smith, Wash.
Burdick	Gildea	Martin, Colo.	Smith, W. Va.
Caldwell	Gillette	Mason	Snyder, Pa.
Cannon, Mo.	Gingery	Massingale	Somers, N. Y.
Carpenter	Goldsborough	Maverick	South
Carter	Granfield	May	Spence
Cartwright	Gray, Ind.	Meeks	Stefan
Casey	Green	Merritt, N. Y.	Stewart
Castellow	Greenwood	Millard	Stubbs
Celler	Greever	Miller	Sullivan
Chandler	Griswold	Mitchell, Ill.	Summers, Tex.
Chapman	Guyer	Mitchell, Tenn.	Sutphin
Citron	Haines	Monaghan	Tarver
Clark, N. C.	Halleck	Moran	Taylor, S. C.
Cochran	Hancock, N. Y.	Moritz	Terry
Coffee	Hart	Mott	Thom
Colden	Harter	Murdock	Thomason
Cole, Md.	Healey	Nelson	Tinkham
Colmer	Hennings	Nichols	Tobey
Connery	Hess	Norton	Tolan
Cooley	Higgins, Mass.	O'Brien	Tonry
Cooper, Tenn.	Hildebrandt	O'Connell	Turner
Corning	Hill, Ala.	O'Connor	Umstead
Costello	Hill, Samuel B.	O'Day	Vinson, Ga.
Cox	Hobbs	O'Leary	Vinson, Ky.
Cravens	Hollister	O'Malley	Wallgren
Creal	Holmes	O'Neal	Walter
Crosser, Ohio	Hope	Owen	Wearin
Crowe	Hull	Parsons	Weaver
Cullen	Imhoff	Patterson	Werner
Cummings	Jacobsen	Patton	Wheelchel
Curlley	Johnson, Tex.	Pearson	White
Deen	Johnson, W. Va.	Peterson, Ga.	Whittington
Delaney	Jones	Pettengill	Wilcox
Dempsey	Keller	Peyser	Williams
Dickstein	Kelly	Pfeifer	Wolcott
Dies	Kennedy, Md.	Pittenger	Wolverton
Dirksen	Kennedy, N. Y.	Polk	Wood
Disney	Kenney	Powers	Woodruff
Dobbins	Kerr	Rabaut	Woodrum
Dockweiler	Kniffin	Ramsay	
Dondero	Knutson	Ramspeck	
Dorsey	Kocalkowski	Randolph	

NAYS—44

Allen	Culkin	Kinzer	Reed, Ill.
Bacharach	Darrow	Lehlbach	Reed, N. Y.
Blackney	Doutrich	Lord	Robson, Ky.
Brewster	Englebright	Mapes	Rogers, Mass.
Burnham	Fenerty	Marcantonio	Seger
Carlson	Gifford	Martin, Mass.	Snell
Cavichia	Goodwin	Merritt, Conn.	Taber
Church	Gwynne	Michener	Thurston
Cole, N. Y.	Hartley	Perkins	Wadsworth
Crawford	Higgins, Conn.	Plumley	Wilson, Pa.
Crowther	Kahn	Ransley	Wolfenden

ANSWERED "PRESENT"—1

Warren

NOT VOTING—113

Adair	Dunn, Miss.	Kee	Romjue
Andrew, Mass.	Eaton	Kleberg	Ryan
Andrews, N. Y.	Faddis	Kloeb	Sabath
Ayers	Farley	Kopplemann	Sadowski
Berlin	Ferguson	Kvale	Sanders, La.
Bland	Fernandez	Lambertson	Scrugham
Bolton	Fiesinger	Larrabee	Short
Boykin	Flannagan	Lee, Okla.	Stack
Brennan	Focht	Lesinski	Starnes
Bulwinkle	Frederick	McAndrews	Steagall
Burch	Gambrill	McGroarty	Sweeney
Cannon, Wis.	Gasque	McSwain	Taylor, Colo.
Carmichael	Gassaway	Maloney	Taylor, Tenn.
Cary	Gavagan	Mansfield	Thomas
Christianson	Gray, Pa.	Marshall	Thompson
Claiborne	Greenway	Mead	Treadway
Clark, Idaho	Gregory	Montague	Turpin
Collins	Hamlin	Montet	Utterback
Cooper, Ohio	Hancock, N. C.	Oliver	Welch
Crosby	Harlan	Palmisano	West
Cross, Tex.	Hill, Knute	Parks	Wigglesworth
Daly	Hoepfel	Patman	Wilson, La.
Darden	Hoffman	Peterson, Fla.	Withrow
Dear	Hook	Pierce	Young
DeRouen	Houston	Quinn	Zimmerman
Dietrich	Huddleston	Rayburn	Zioncheck
Dingell	Jenckes, Ind.	Richards	
Ditter	Jenkins, Ohio	Richardson	
Duffey, Ohio	Johnson, Okla.	Rogers, Okla.	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Patman (for) with Mr. Wigglesworth (against).
Mr. Dunn of Mississippi (for) with Mr. Andrew of Massachusetts (against).

Until further notice:

Mr. Bland with Mr. Treadway.
Mr. Fiesinger with Mr. Short.
Mr. Burch with Mr. Turpin.
Mr. Houston with Mr. Jenkins of Ohio.
Mr. Starnes with Mr. Cooper of Ohio.
Mr. Larrabee with Mr. Thomas.
Mr. Ayres with Mr. Bolton.
Mr. Cary with Mr. Andrews of New York.
Mr. Boykin with Mr. Christianson.
Mr. Flannagan with Mr. Hoffman.
Mr. Claiborne with Mr. Collins.
Mr. Huddleston with Mr. Welch.
Mr. Mead with Mr. Eaton.
Mr. Ryan with Mr. Taylor of Tennessee.
Mr. Gavagan with Mr. Focht.
Mr. Rayburn with Mr. Ditter.
Mr. Duffey of Ohio with Mr. Lambertson.
Mr. Montague with Mr. Marshall.
Mr. Mansfield with Mr. Withrow.
Mr. McSwain with Mr. Kvale.
Mr. Sweeney with Mr. Faddis.
Mr. Adair with Mr. Pierce.
Mr. Dingell with Mr. Utterback.
Mr. Zimmerman with Mr. Gambrill.
Mr. Sanders of Louisiana with Mr. Berlin.
Mr. Oliver with Mrs. Greenway.
Mr. Bulwinkle with Mr. Frey.
Mr. Harlan with Mr. Thompson.
Mr. Brennan with Mr. Zioncheck.
Mr. Daly with Mr. Peterson of Florida.
Mr. Palmisano with Mr. Cross of Texas.
Mr. Stack with Mr. Young.
Mr. Farley with Mr. Scrugham.
Mr. West with Mr. Gasque.
Mr. Carmichael with Mr. Ferguson.
Mr. Gregory with Mr. Wilson of Louisiana.
Mr. Maloney with Mr. Darden.
Mrs. Jenckes of Indiana with Mr. Gassaway.
Mr. Richards with Mr. Lee of Oklahoma.
Mr. Parks with Mr. Kee.
Mr. Fernandez with Mr. Crosby.
Mr. Sabath with Mr. Knute Hill.
Mr. Gray of Pennsylvania with Mr. Clark of Idaho.
Mr. Dear with Mr. Lesinski.
Mr. Kleberg with Mr. DeRouen.
Mr. Quinn with Mr. Hamlin.
Mr. Johnson of Oklahoma with Mr. Sadowski.
Mr. Steagall with Mr. Hook.
Mr. McAndrews with Mr. Rogers of Oklahoma.
Mr. Montet with Mr. Kloeb.
Mr. McGroarty with Mr. Hancock of North Carolina.
Mr. Richardson with Mr. Romjue.

Mr. ANDRESEN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider the vote whereby the resolution was agreed to was on motion of Mr. O'CONNOR laid on the table.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend and revise the remarks I made on the resolution just adopted, and to include in the extension the copy of the resolution which I introduced and the balance of the editorial in the Washington Star from which I read.

The SPEAKER. Is there objection?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, we on both sides have followed the uniform practice of objecting to editorials. I shall not object to the other part of the gentleman's request, but I hope he will withdraw that portion relating to the editorial.

Mr. MAPES. I read during the debate very extensively from the editorial. I am asking only to complete the editorial.

Mr. BANKHEAD. The gentleman did read extensively from it in his remarks?

Mr. MAPES. Yes.

Mr. BANKHEAD. Under these circumstances, I shall not object.

Mr. GREEN. Mr. Speaker, reserving the right to object, I ask unanimous consent that the consent of the gentleman from Michigan may be granted and that I may have permission to extend my remarks and to include therein two or three short statements about the Florida canal.

The SPEAKER. It is impossible to connect two requests. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. GREEN. Now, Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and to include therein two or three short statements, including one or two editorials—very short—on the Florida canal.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD and to include therein two or three short statements and also two or three short editorials. Is there objection?

Mr. KNUTSON. Mr. Speaker, reserving the right to object, does not the gentleman think that the Florida canal has cost enough already?

Mr. GREEN. This will not take more than a page or two.

Mr. KNUTSON. How much does a page cost?

Mr. GREEN. Ask your colleague from Michigan. The House just gave him permission. I hope the gentleman will not object.

Mr. KNUTSON. That would be another \$100 thrown into the canal.

Mr. GREEN. No; it will not be.

Mr. MAPES. Mr. Speaker, reserving the right to object, inasmuch as the gentleman from Florida has referred to me twice in connection with his unanimous-consent request, and in view of the statement that he made the other day, I desire to make a brief statement.

It is unusual for a Member of the House to take the position which the gentleman from Florida took at that time. He secured unanimous consent to proceed for a minute, and in that minute criticized the position of another Member and then objected to a request of another Member for time in which to reply. However, I shall not return the compliment in kind, and will not object to the gentleman's extension.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. Mr. Speaker, reserving the right to object, how much of the RECORD is the gentleman going to use? I want to call attention to the fact that when he asked to revise and extend his remarks on the day to which the gentleman from Michigan [Mr. MAPES] refers, he used 4, 5, 6 or 8 pages of the RECORD.

Mr. GREEN. I did not put in the article to which objection was made. This will only take about a page or two. The statement made recently, and referred to by the gentleman, took, I believe, 1 or 2 pages.

Mr. RICH. The gentleman has a whole lot more in there. He stated it would be less than a page. How much is he going to put in today about the Florida canal?

Mr. GREEN. A page or two, I think.

Mr. RICH. Will it be more than one page? It will not be 6 or 8 pages like last week?

Mr. GREEN. Oh, no; it will not be 6 or 8 pages.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, is there objection to the request of the gentleman from Florida?

Mr. MAPES. Mr. Speaker, I will have to object unless I may be allowed to make a statement.

Mr. BANKHEAD. Mr. Speaker, I withdraw the demand for a moment.

Mr. MAPES. Mr. Speaker, reserving the right to object, the situation Friday, to which I was referring, was this: An objection had been made to the request of the gentleman from Florida to speak out of order in the Committee of the Whole. I did not initiate the objection to his proceeding out of order, but someone did, and very properly so. The point was made that the Committee of the Whole could not grant the permission which the gentleman requested. It was in compliance with the regular and orderly procedure of the House. The gentleman saw fit, when the Committee rose, to indulge in a criticism of a Member for raising the point of order.

Mr. GREEN. But that had to do with another gentleman from Michigan, who made the point of order, and I might say also that on that day many Members had spoken out of order.

Mr. MAPES. The gentleman from Florida obtained consent to proceed for 1 minute, and then objected to any answer being made to his statement. However, as I have said, I shall not reply in kind, and, as far as I am concerned, I shall not object to the gentleman's request to extend his remarks as indicated.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I have been requested to announce that the gentleman from Oklahoma, Mr. JOHNSON, is absent on account of illness, and that if present he would have voted "yea" on the resolution which has just been passed.

THE REPUBLICAN OUTLOOK

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following address which I delivered over the National Broadcasting Co. network, Tuesday evening, April 28, at 6:45 o'clock:

My remarks will be addressed this evening to the radio audience on the state of the Republican Party. Candor requires me to speak the truth, no matter how unpleasant it may be.

The rank and file of the people have already made up their minds that they will not support any Republican candidate who has the blessings of the American Liberty League, the reactionary political manipulators of the smoke-filled room variety that prefer to gang up on Senator BORAH because they cannot control him, than to win with him.

These wreckers of the party prefer to go down to defeat with some second- or third-rate candidate in order to rule the wreck afterward. But even such a selfish policy of defeatism will get them nowhere, as there will be no party to rule in case of another political disaster.

The Republican Party and the country face a crisis more alarming than anything since the Civil War. The time has come to speak boldly and not to mince words or to use weasel words, but to present the facts and let the chips fall where they may.

I have only one interest in expressing my political views and concern while there is yet time, and that is for the best interests and success of the Republican Party and the preservation of our representative and constitutional government and the restoration of a government by law instead of bureaucracy, Executive orders, and "brain trust" edicts. No matter what Republican candidate is nominated for President, I propose to support him to the best of my ability.

The fact is the people are determined that no Wall Street candidate backed by the American Liberty League, public utilities, or oil interests shall be elected President. There is only one way to disabuse their minds and get them to support the Republican Party, and that is to nominate an outstanding liberal whom the people know is controlled by no interests and has a long record as a champion of the rights and liberties of the people and a square deal for American farmers and wage earners.

If the combination of the big campaign contributors and reactionary political leaders, representing selfish interests, do not see the handwriting on the wall before the Cleveland convention, then it will be too late to save the Republican Party.

None are so blind as those who refuse to see; none so deaf as those who plug their ears to facts; none so stupid as those who will not learn until they have been knocked senseless by public opinion and the ballots of a free people.

I am convinced that Senator BORAH is the only Republican who can defeat Roosevelt and bring back into the Republican Party the liberal elements, the wage earners, and the farmers, who have left it in recent years, and whose support is necessary to win. The subject of my remarks, The Republican Outlook, can be summed up in a few words. Nominate Senator BORAH and we will win. That is my honest conviction, and no one, whether he or she agrees or disagrees with me, will, I am sure, question my sincerity or my motives. I have spoken in 40 States within the last year and believe I know what the people are thinking about back home. I am completely convinced that no other Republican in this political crisis except Senator BORAH can be elected, and I regard it as my duty to my party and to the people to state the reasons without evasions or pussyfooting. I propose to state exactly why I am convinced that a vote for Senator BORAH is for Republican success and victory in November, and that a vote against him or for some other candidate means disaster and defeat for the party, and, generally speaking, for our candidates for Governor, United States Senator, Congressmen, and State and local Republican candidates down to constable.

As Al Smith says, let's look at the record:

(1) Senator BORAH is the only outstanding statesman in our party whose name is known throughout the Nation and the world.

(2) He is the only candidate, if Herbert Hoover is excepted, who knows great national and international issues from actual experience.

(3) He is recognized as the greatest orator in the Republican Party, and the only one who can meet President Roosevelt and turn his sugar-coated phrases and honey-coated words into kindergarten efforts.

(4) He more nearly represents the principles and policies of Abraham Lincoln and the square deal of Theodore Roosevelt than any Republican in public life.

(5) For a quarter of a century in the Senate of the United States he has championed the rights and interests of the farmers and wage earners and led the fight for social and industrial justice. He has the support of both the Grange and of labor. He was the author of the bill creating the Department of Labor and also of the Children's Bureau.

(6) He is the foremost expounder and supporter of the Constitution and the powers of the Supreme Court in the United States and for the preservation of our representative and constitutional government.

(7) He stands squarely against economic and political dictatorship and "expensive, demoralizing, devastating, and destructive bureaucracy." Referring to the crushing bureaucracy under the New Deal, he said: "It has destroyed every civilization upon which it has fastened its lecherous grip."

(8) He is the outstanding leader in the fight against monopoly and to preserve economic independence for the grocer, butcher, baker, druggist, and small businessman.

(9) He is opposed to the reciprocal-trade treaties and urges the protection of the American market for the American farmer and wage earner. Here he differs vitally with President Roosevelt, who favors a reduction in the tariff. Senator BORAH stated recently that the present policy of letting in foreign farm produce makes it impossible for the farmer to maintain a decent standard of wages or even save his farm. Senator BORAH stands squarely against the importation of the products of foreign paperized labor.

(10) He voted for the following bills in Congress in the interest of the people: Home Owners' Loan Corporation Act, which saved the homes of hundreds of thousands of Americans; the Federal Bank Deposit Insurance Act; the Securities Exchange Act, the regulation of the stock exchange; Farm Loan Act; and other needed and meritorious legislation. He also voted for the veterans' adjusted compensation bill, restoration of pay cuts for Federal employees, and for the Social Security Act, including old-age pensions.

He voted against the N. R. A. as being unconstitutional; and that was 50 percent of the New Deal, as it destroyed business confidence and put business in a straight jacket and actually retarded recovery. The improvement of business conditions dates from the time the Supreme Court held the N. R. A. unconstitutional. He also voted against such unconstitutional measures as the Bankhead Cotton Control Act, Guffey coal bill, the bargaining tariffs, and antilynching bill. He even refused to support the potato control bill, which his own State of Idaho favored, on constitutional grounds.

(11) He has a tremendous appeal among Jeffersonian Democrats and great racial groups, such as Germans, Irish, Italians, and Jews in the industrial centers, because of his record as chairman of the Senate Committee on Foreign Relations.

(12) He led the successful fight against the League of Nations, Versailles Treaty, World Court, and other forms of entangling alliances, including the recent effort of the New Deal to give the President power to lay economic sanctions which would have involved us in European blood feuds and boundary disputes. He believes that if the old nations of the world arm to the teeth and go to war, that it is their war and not ours and that we should mind our own business and stay out of it.

These are 12 sound and compelling reasons why the voters of Ohio, South Dakota, West Virginia, and New Jersey should mark a cross before the name of WILLIAM E. BORAH in their respective primaries. But there are other and more vital and important political reasons.

He is the only Republican who can carry the Northwestern States of Oregon, Washington, Idaho, Montana, Wyoming, North and South Dakota, Minnesota, and Wisconsin, without which no Republican can be elected President. These are, at heart, Republican States and would come back to the party if BORAH is nominated, and would likewise elect Republican Members of Congress. We have to have these States, or most of them, to win, and are not so much concerned with States like Missouri and Kentucky, presumably Democratic, whose delegates are for Landon.

Unless we regain the Republican States in the Northwest we might just as well give the election to Roosevelt without a fight. I am also convinced that in New York State, which is not only doubtful but in recent years strongly Democratic, that Senator BORAH would poll a quarter of a million more votes in New York City than any other Republican. He has a tremendous following among the people of German origin on account of his opposition to the Versailles Treaty and the confiscation of German and Austrian property after the war. The Italian element are back of him, as he stopped President Roosevelt from getting power to place economic sanctions against the Italian people. He has a big following among the Irish because of his plea for religious liberty and freedom of worship. He is popular with the Jewish element because of his advocacy of Zionism and the establishment of a homeland for the Jews in Palestine and because, as a liberal, he is opposed to all forms of religious or racial intolerance and persecution.

If the people of Ohio and other primary States express their preference for Senator BORAH for President, it will mean his nomination and election in November; but if they fail to support him it can only mean the election of President Roosevelt and the retention of the squandermania and political and economic dictatorship of the New Deal.

The radio audience may ask why I am so worried about the outlook for a Republican success and point to the Literary Digest poll. My answer to that is that the Literary Digest poll was for or against the New Deal, and everyone is against some measures of the New Deal, including most Democrats. However, when it comes to a vote for President Roosevelt against some unknown and inexperienced Republican who has never lived in Washington or held a Federal office, that is an entirely different proposition.

The recent enrollment in California should open the eyes of the reactionary politicians and big business interests as it shows in that hitherto Republican State there were 1,400,000 Democrats and only 900,000 Republicans, and the enrollment for the city of Pittsburgh likewise announced a few weeks ago, and also a big Republican city in the past, discloses a majority for the Democrats for the first time since the Civil War. These figures do not lie. They can only mean that the people have lost faith in the "Old Guard" leadership of the Republican Party and will not support any candidate nominated by them or by wealth or reaction.

Some 25 Democratic Members of Congress have voluntarily told me that BORAH was the only Republican who could win, and that he had a tremendous appeal for Jeffersonian Democrats. Included among these Democrats were Irish Catholics and Jewish Congressmen from New York, Ku Kluxers from Texas, and western Democratic Members. Most of them admitted that BORAH is the only one who can win, while others said they thought he might win, and a few that he could get most votes, but that even he could not defeat Roosevelt, but all agreed he was by far the strongest Republican candidate that could be nominated and the only one the Democrats feared. Former United States Senator James Reed, of Missouri, a life-long Democrat, told me that if the Republicans nominated Senator BORAH he would take his coat off and speak for him in every State BORAH wanted. Senator Reed merely expresses the sentiment of millions of Jeffersonian Democrats. A great many in New York have said to me, "if your party nominates BORAH, we will work and vote for him. We dislike—a mild term—Roosevelt, but if you fail to nominate BORAH, we will continue to vote the Democratic ticket."

On his record, Senator BORAH is entitled to the support of labor, including the railroad men, post-office employees, and all civil-service employees throughout the country. He put through the 8-hour law on public works and was the author of the bill to investigate the 12-hour-per-day and 7-day-per-week conditions in the steel mills. He supported the anti-injunction and collective-bargaining bill, railroad retirement and pension acts, post-office salary restoration, and voted to give \$30 a month to the helpless aged, and offered an amendment to increase this amount when the bill was in the Senate.

In answer to those who say that Senator BORAH is too old, I would point out that Gladstone in England, Clemenceau in France,

Hindenburg in Germany, and Masaryk in Czechoslovakia, the greatest leaders in those countries, were 10 or more years older at the peak of their careers. For second choice, as a compromise candidate, if Senator BORAH is blocked by the Old Guard at the Cleveland convention, I would favor the nomination of Frank O. Lowden, former Governor of Illinois, who is 5 or 6 years older than Senator BORAH.

In 15 minutes it is not possible to do justice to the great public record of Senator BORAH to the people of the United States. I suggest that all who are interested in securing further information should read the article by Walter Lippmann on BORAH and sound liberalism and another by Senator BORAH himself in this week's issue of Liberty magazine.

No matter what our views are, we must put aside our personal preference to nominate a candidate who can win. The Republicans must not commit political suicide because of personal dislikes, prejudices, or animosities. In war the main objective is success in battle, so in this crisis the Republicans must make every concession to be victorious in order to elect a Republican President and Congress. It is not a question of what candidate you may prefer but what candidate can win. Senator BORAH is the only Republican, in my opinion, who can oust Roosevelt and the New Dealers and restore constitutional and representative government.

AMENDMENT OF WAR MINERALS RELIEF ACT

Mr. COX. Mr. Speaker, I call up House Resolution 487 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 487

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1432, an act to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. COX. Mr. Speaker, I yield 30 minutes to the ranking minority member of the Rules Committee, the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, I now yield 10 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, this matter came up in the last session of Congress under a rule, and on an automatic roll call in connection with a point of no quorum the rule was voted down.

Mr. COX. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Georgia.

Mr. COX. May I say to my colleague that the taking of the right position in connection with this resolution depends very largely upon a correct understanding of the question involved. The gentleman who is now addressing the House is very conversant with this matter, and I trust he may have good attention.

Mr. RAMSPECK. Mr. Speaker, I think the reason the rule was voted down last year was due to the fact the membership was not familiar with what the bill did, and, having to vote quickly, they did as I have done frequently, they voted "no" because they did not know what was in the bill.

When America entered the World War in 1917 we found that we had a shortage in the production of pyrites, tungsten, chrome, and manganese, which were minerals very essential to carrying on the war. We needed all of the shipping facilities which were being used to import these minerals to carry supplies and troops to France. Therefore, Secretary of the Interior Lane, through the Geological Survey, the Bureau of Mines, and the State geologists throughout the Nation, asked people who owned mineral deposits of these types to open up these deposits and produce these minerals for the benefit of our Nation in the emergency. They were assured by the Secretary of the Interior that they would be protected from loss and that he would seek legislation to enable the Government to carry out its promise.

The Secretary of the Interior did seek that legislation, and in October 1918 the original act was passed. However,

the war ended within a few weeks, thereafter, and the Attorney General then ruled that since the bill giving the President the right to take over these mineral projects was for the purpose of prosecuting the war, which had ended, the Secretary of the Interior was advised not to operate under the act. Then Congress on March 2, 1919, passed what is now generally referred to as the War Minerals Act. Section 5 is the pertinent section of that act which we are dealing with at this time.

Whereas the 1918 act had provided for just compensation and had given the claimants the right to go into court and sue the Government in the Court of Claims, the act of March 2, 1919, provided for the payment of net losses and specifically said there should not be any collection of profits. It was necessary for the claimants to show that they had been requested by the Secretary of the Interior, or other named Government agencies, to go into the production of these minerals.

In the cases dealt with by the bill which we are seeking to bring up here today, all questions have been settled with the sole exception of the question of interest which was lost on money borrowed. It is not interest on the claim, and I hope you will keep this distinction in mind, but interest which became a part of the net losses on money borrowed and lost during the war period.

The Secretary of the Interior, beginning in 1919 and coming on down to 1931, consistently held that no interest could be paid as a part of net losses. Finally, in 1929, the Congress amended the act of 1919 and gave these claimants the right to go into the courts and have the law construed, still leaving the Secretary of the Interior as the sole judge of the facts. When they went into the courts on this question of interest, the District Supreme Court first held they were not entitled to the interest. The court of appeals overruled that decision, and the Supreme Court of the United States upheld it and said that the Secretary of the Interior for 14 years had wrongfully construed this act and wrongfully withheld from these claimants the interest on money borrowed and lost during the war period.

Now, you must bear in mind that these people had continued to pay the interest for a period of 14 years after Congress had said they should be paid their net losses, and the only thing this bill proposes to do, Mr. Speaker, is to construe the act of Congress of March 1919 to mean that they shall be paid the interest which they actually incurred and paid up to the date of the passage of this act.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. GOLDSBOROUGH. Cannot the Court of Claims pass on this question?

Mr. RAMSPECK. No; they cannot, because under the present decision of the Supreme Court they have upheld the contention of the Secretary of the Interior that the act of March 2, 1919, constituted a cut-off date, and therefore he is not entitled to pay any interest beyond that period, but the point in the matter is this: By wrongful construction of the will of Congress, as enacted in 1919, for 14 long years these people have come here and have fought for the rights which Congress gave them, and the Secretary of the Interior by a wrong construction forced them to pay interest for 14 years, which they cannot collect unless this act is passed.

Many of these people are now almost on starvation because they answered the patriotic call of their Government, and I am asking the Members of the House to give us an opportunity to fully explain this matter by voting for this rule, which will give us an opportunity to go into the Committee of the Whole and have general debate on the measure, and I shall be willing at that time to answer any questions that any Member of the House may want to ask about the history or the merits of this legislation.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. WOODRUM. May I recall to the gentleman the fact that this bill affects 91 claimants in 24 States of the Union.

Mr. RAMSPECK. That is correct.

Mr. WOODRUM. And it has passed the Senate twice, I believe.

Mr. RAMSPECK. The gentleman is correct.

Mr. WOODRUM. And has been reported out by the House committee several times.

Mr. RAMSPECK. That is true.

Mr. WOODRUM. But we have never been able to get it up on the floor of the House.

Mr. RAMSPECK. The gentleman is correct.

Mr. WOODRUM. May I also recall the fact to the gentleman that Congress, in trying to do justice by these people who had answered a patriotic call, as the gentleman from Georgia pointed out, authorized and appropriated \$50,000,000 to clear up these claims, \$40,000,000 of which was covered back into the Treasury, and there is now a little over \$1,000,000 involved here which we have never been able to get, and I wish further to heartily concur in what the gentleman from Georgia has said.

Mr. RAMSPECK. I thank the gentleman from Virginia.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BANKHEAD. Is it not a fact that a number of the courts, possibly including the Supreme Court of the United States, have construed this question of net loss to include charges which these men had to pay for borrowed money?

Mr. RAMSPECK. That is true, I will say to the gentleman from Alabama. The Supreme Court of the United States has said that the Secretary of the Interior was wrong in his first construction and ordered him to pay the interest, and then the Secretary held it was only possible to pay up to March 2, 1919, and has refused to pay anything beyond that.

Mr. BANKHEAD. Is it not also the fact that the Secretary of the Interior has withdrawn his objection to this bill?

Mr. RAMSPECK. That is correct and I thank the gentleman for calling it to my attention. The Secretary of the Interior now says as to this bill that it is a matter for Congress to decide what its intention was in the act of 1919 and he has therefore withdrawn his objection, and I earnestly ask the Members of the House to give us an opportunity for a fair hearing by voting for this rule so that we can go into the matter and do justice to these people who have been denied justice throughout all these years.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LAMNECK. In view of the fact there may be some doubt about the adoption of the rule, would it not be a good idea for the gentleman to give the experience involved in the case down here in Virginia of a man who lost his property, his home, and his farm on which the mine was located, in order to illustrate the injustice that was done by the Government. I think this would add greatly to the gentleman's argument and would probably be of more help now than after the rule is adopted.

Mr. COX. Mr. Speaker, if the gentleman from Georgia will permit, if the gentleman feels in need of more time in view of the suggestion made by the gentleman from Ohio, I yield the gentleman from Georgia 5 additional minutes.

Mr. RAMSPECK. I thank the gentleman and I shall recite briefly the history of this one claimant.

At the time the war broke out the man who owned this manganese property near Lynchburg, Va., was a young man about 24 years old. He was an architect and engineer. He was not in the mining business and had no desire to go into it, although he had had some experience as an employee of a mining company in Birmingham, Ala. He was sought out by agents of Franklin K. Lane, the Secretary of the Interior, and was requested, and, in fact, it was demanded of him, that he build mines on this property, which contained a very fine deposit of manganese ore, and finally, at the request of the Secretary of the Interior, he did so.

He did not have the money himself. He had no credit facilities. He had no right to ask credit from the bank. He went to the bank and told them the situation. The Secretary of the Interior assured the bank that if they would loan

this man the money they would see that the bank sustained no loss.

He borrowed \$95,000 or \$100,000 and built the mine, put in a concentrating plant.

After being in operation a few weeks the war ended, and he was left with this debt, when he was out of debt before.

The mine was worth nothing for commercial purposes, because you can import manganese cheaper than you can produce it in this country.

The Government set out to give him back what he had lost. They first offered him \$2,000, which he declined to accept. But they paid him that amount on account. Within 20 days they gave him another \$20,000, and they negotiated back and forth, the Government making partial payments, but always denying him any interest on the borrowed money.

Of course, he still owes that bank approximately \$30,000, although he has applied every dollar that the Government has given him in liquidation of this debt which was incurred at the request of the Secretary of the Interior.

For 14 or 15 years he has been paying interest to the bank on the balance of the debt which was incurred because the Secretary of the Interior requested it. He has mortgaged every bit of property he owns to maintain the loan at the bank hoping that Congress will enable him to pay off the obligation and let him go about the pursuit of his ordinary business.

Mr. FLETCHER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. FLETCHER. Did these people receive a special bonus for production during the loan?

Mr. RAMSPECK. No; not that I know of.

Mr. LAMNECK. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. LAMNECK. What happened to his farm?

Mr. RAMSPECK. He was forced to mortgage his property and it was all sold and applied to this claim.

Mr. PITTINGER. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTINGER. Are the other 91 claimants in the same situation?

Mr. RAMSPECK. This is a typical example of these claims. There is no question but that Congress intended that these people should be made whole, and they cannot be made whole unless this bill is passed.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. COX. And there is no suggestion in the bill of paying them for the properties which they originally owned and sought to develop.

Mr. RAMSPECK. Not at all. There is only one question involved in this bill, and that is the question of interest on money borrowed, a loss which the Supreme Court says is a part of the net loss.

Mr. MAIN. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MAIN. The gentleman has stated that the individual to whom he has devoted some remarks has nothing in the world left except this claim against the Government. Is it not true that he does have a rather large indebtedness to the bank, and it would be to that bank that this interest if allowed would go to help him liquidate indebtedness growing out of his efforts to cooperate with the Government in the time of its need?

Mr. RAMSPECK. Of course, the money would go to the bank, because it holds a mortgage on his property, and if he is not paid by the Government, he will not only continue to owe the bank but it will foreclose on other properties that he owns.

Mr. COX. And this man's only escape from this obligation is through bankruptcy or by the adoption of this resolution, which will enable him to discharge the debt.

Mr. RAMSPECK. That is true.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein two letters I have received from the Comptroller on this bill.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record and to include two letters he has received from the Comptroller on this subject. Is there objection?

Mr. PITTINGER. Mr. Speaker, reserving the right to object, did the gentleman say two letters?

Mr. COCHRAN. Yes.

Mr. PITTINGER. Dealing with this bill?

Mr. COCHRAN. Yes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the gentleman from Georgia [Mr. RAMSPECK] says that he does not feel that the House is familiar with the provisions of this measure and attributes that as the reason it was defeated in the last session of Congress. I am of opinion that the Members of this House are very familiar with this legislation, because time and again it has been before the House and has been thoroughly debated and defeated either by a direct vote or objection.

The question involved here and the big question involved is one of policy. Back in 1813 the Secretary of the Treasury—see the letter from the Comptroller General below—rendered a decision in which he held that the Government of the United States would not pay interest on outstanding claims. A few days afterward the Congress of the United States approved that policy. For 122 years the executive branch of this Government and the Congress of the United States have followed that policy and today you are asked to set it aside.

What has happened in connection with these claims? The Government has already paid out of a sum appropriated originally, \$8,500,000 to these claimants. Ninety-one claimants, as the gentleman from Virginia [Mr. WOODRUM] said, are scattered over 24 States, but 27 of the claimants are in one State, the State of California. Besides that \$8,500,000, there has been submitted to this Congress in deficiencies \$743,732.58, and the Congress has included that amount in deficiency appropriation bills and the claimants have been paid. There is now certified in the Appropriations Committee today \$34,235.03 additional, or a total of \$9,277,967, and on top of that the administrative expenses have been \$32,600.

But that is not all. There are still 82 of these claims pending in the courts, and we do not know what the decision of the courts will be or how much more will come in as deficiencies.

As I say, the big question involved here is one of policy. The Government pays no interest on claims, with one exception, and that is where taxes are wrongfully collected. When the Government assesses additional taxes and penalties it charges interest, and therefore the Government receives equal consideration with the taxpayer.

Are you going to set aside the established policy and pay these claimants interest up to date of settlement? They have already received interest up to the date of the passage of the original act.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Not now. Later if I have the time. I ask the Members are you going to set aside this established policy and pay these claimants \$1,250,000 in interest, not counting the money that you will be asked to appropriate in the form of deficiencies when these 82 claims that are pending are settled by the courts? Remember if you do, you must also pay interest on pending claims up to date of settlement.

The Supreme Court rendered its opinion in this case. The Secretary of the Interior paid the interest up to the date of the passage of the original act, and now we are asked to take from the taxpayers of this country \$1,250,000 and more besides at a later date to pay 91 claimants. If we are going to pay everybody who made any sacrifice whatsoever during the period of the war, there is not enough money in the country to pay the bill.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield first to the gentleman from Georgia, who made the first request.

Mr. VINSON of Georgia. Mr. Speaker, the gentleman is basing his argument on the ground that we are violating precedent in that Congress is seeking to pay interest on the claim. Let me say to the gentleman that his premise is entirely erroneous, because that is not involved at all. It is to pay nothing more than the Congress authorized, the net loss.

Mr. COCHRAN. I have little time and cannot yield further. I realize that is the gentleman's argument. It was also the argument of the gentleman from Georgia [Mr. RAMSPECK]. I say they have been paid interest up to 1919, and if you are going to pay interest up to the date of the settlement of the claims, or whatever you want to call them, then every claim that has passed this House on private claims day should provide that interest be paid to those claimants. I yield now to the gentleman from New York.

Mr. SNELL. Is it not a fact that if we change our whole policy now and allow these people who have had their claims settled to open them and ask for interest, we will open up an opportunity for countless millions of claims against the Federal Government?

Mr. COCHRAN. There is no doubt in the world but what the gentleman's contention is right.

Mr. SNELL. And these claims are filed and pending before the courts at the present time?

Mr. COCHRAN. The gentleman is entirely correct. The Department advised me this morning, besides the 91 claims, there are still 82 cases in court.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I regret I do not have the time. On every claims day you pass bills to compensate a man or woman who has been injured by a Government automobile, and he or she has been required to pay the expenses of hospital and doctors, and it is 5, 6, 7, and oftentimes 10 years after he has paid those expenses before he is compensated by Congress. Would it not be just if you pass this bill to pay interest upon the money spent as a result of an accident due to the negligence of some Government employee?

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I am sorry I do not have the time.

I want to say, Mr. Speaker, that I think the House will make a serious mistake if it changes the attitude it has taken, not once but many times, on this same bill. [Applause.]

The letters referred to are as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 13, 1936.

HON. JOHN J. COCHRAN,
Chairman, Committee on Expenditures
in the Executive Departments,
House of Representatives.

MY DEAR MR. CHAIRMAN: Referring to your letter of February 28, 1936, you are advised that there has been examined S. 1432, Seventy-fourth Congress, second session, entitled "An act to amend section 5 of the act of March 2, 1919, generally known as the 'War Minerals Relief Statutes'", as follows:

"That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the 'War Minerals Relief Statutes', in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses, interest which has been paid or has accrued to the date of approval of this act: *Provided, however,* That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further,* That the sum paid in satisfying said claims shall not exceed in total \$1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof."

The issue presented by the proposed bill appears to be correctly stated in House Report No. 2002, Seventy-fourth Congress, accompanying the bill, as follows:

"The only issue placed before the Congress by the bill hereby reported is the payment of interest constituting a part of net losses

which accrued after March 2, 1919, the date of the approval of the War Minerals Act.

"The Supreme Court of the United States has held that such interest must be considered a part of the 'net losses.' In a later case the Court held that when Congress passed the act of March 2, 1919, it intended for that act to constitute a cut-off date.

"It seems to this committee that there can be no question but that Congress intended in the act of March 2, 1919, to provide for all net losses up to the date of settlement with the claimants.

"No settlements for net losses involving interest were made until after the Supreme Court decision in 1933, 14 years after the Congress had directed payment of net losses. During all of these 14 years the Secretary of the Interior had contended that interest on borrowed money was not a part of the net losses, and payment had been refused.

"After the 1933 decision the Secretary of the Interior refused to pay interest beyond March 2, 1919, and he was upheld by the Supreme Court in this position.

"The result is that these claimants, approximately 91 in number and representing approximately 24 States, having fought for 14 years for rights given to them under the act of March 2, 1919, now find themselves denied full justice because it is contended the Congress set a cut-off date as of March 2, 1919.

"It will be remembered that the act of March 2, 1919, provided for payment of moneys expended and obligations incurred between April 6, 1917, to and including November 12, 1918. The obligation to pay interest on borrowed money by these claimants was incurred within the period above stated, and certainly if there is justification in paying interest from November 12, 1918, to March 2, 1919 (which has been done), there is equal justification for payment of interest on borrowed money to the date of final settlement or, as is provided in this act, to the date of the approval of this act."

That is to say, under section 5 of the act of March 2, 1919 (40 Stat. 1272), as amended by the act of November 23, 1921 (42 Stat. 322), and as further amended by the acts of June 7, 1924 (43 Stat. 634), and February 13, 1929 (45 Stat. 1166), the claimants under the war minerals relief statute have been allowed interest on borrowed money to March 2, 1919, interpreted by the courts as allowing interest on money borrowed by the claimants in connection with the prosecution of the production of war minerals. The proposed further amendment would authorize interest from March 2, 1919, to the date of the respective settlements, with the limitation that the total amount allowed should not exceed \$1,250,000.

This office cannot recommend favorable action on the bill. The relief accorded in the first instance was a gratuity. There was no legal obligation on the United States to reimburse those engaged in the production of war minerals for the amount of the losses sustained by them. The Government has been most generous in reimbursing these claimants with the amount of such loss, including interest on borrowed moneys to the date of said act of March 2, 1919. It is to be remembered that except for bonded indebtedness and refund of taxes erroneously or illegally collected the United States does not pay interest on claims against it. Attention in this connection is invited to a letter of June 4, 1813, from Comptroller of the Treasury Rush to the House Committee on Claims (26 Annals 794), wherein he said:

"As interest in its application to such cases as the present is to be considered in the light of a compensation for money unjustly withheld after it is due, perhaps the Government may not, under this view, be held chargeable with it as a general rule, inasmuch as the presumption of law is that the sovereign stands ready at all times to pay what is justly due from it, and that where payment has not been made, it must be taken to be owing to some good and justifiable causes, and not to any mere neglect or default in itself or in its own officers. But, waiving this suggestion, the refusal of the Government, in its ordinary practice to pay interest, is at least sustained on equitable grounds insofar as the rule is reciprocal. For if it refuses to pay interest, it is also true that it never charges any of its debtors."

The Committee on Claims, House of Representatives, after considering said report of June 4, 1813, stated that—

"The rule which appears from the above letter to be established at the Treasury, and which has been practiced under for so long period of time, your committee cannot feel themselves at liberty to violate because they believe it to be salutary."

If there was any obligation under the act of March 2, 1919, to pay interest on borrowed money, such obligation arose with said act, but the Secretary of the Interior concluded that interest on borrowed moneys was not allowable as a loss thereunder. After the act of February 13, 1929, allowing claimants the right of appeal to the courts in any matter involving a question of law under the act of March 2, 1919, the courts held that interest on borrowed moneys was allowable thereunder, and the Secretary of the Interior did reopen and compute interest on borrowed moneys to March 2, 1919.

That is to say, the payment of interest after March 2, 1919, on moneys which have been borrowed by claimants and expended in the production of war minerals is not to be distinguished from interest considered and negated in 1813 by both Comptroller of the Treasury Rush and the Committee on Claims, House of Representatives. Also, such a claim for interest after March 2, 1919, by reason of the delay of the Secretary of the Interior in making settlement allowing interest to said date is not to be distinguished from interest on any other claim against the United States where settlement is delayed for a period after the claim has accrued. As is well known, claims are not infrequently denied by both the administrative and accounting officers of the United States because

of lack of an appropriation or believed lack of legal basis to support the claims. Thereafter, suit may be instituted against the United States and judgment entered in favor of the claimant—the courts not being restricted in the entering of judgments against the Government to the availability of an existing appropriation to pay such judgment; also, the courts taking into consideration in some cases the administrative action which gave rise to the claims. It has never been the practice of the United States to allow interest in such cases and, in fact, section 177 of the Judicial Code of March 3, 1911 (36 Stat. 1141), specifically provides that no interest shall be allowed on any claim up to the time of the rendition of judgment thereon by the Court of Claims unless upon a contract expressly stipulating for the payment of interest.

It will be noted that the precedents referred to on pages 3 and 4 of Report No. 2002, accompanying the bill, are cases where interest has been allowed to the various States on moneys borrowed by the States for use in aiding the United States in the defense of the country. The States in so doing were not, of course, engaged in a business enterprise from which they expected to earn a profit as was the situation with respect to these war mineral claimants, and it is not believed that the practice of the Government with respect to the States of the Union constitutes any precedent for application in the settlement of private claims.

As above stated, this office is unable to recommend approval of S. 1432, and you are advised accordingly.

Sincerely yours,

R. N. ELLIOTT,

Acting Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, April 20, 1936.

HON. JOHN J. COCHRAN,

Chairman, Committee on Expenditures in the
Executive Departments, House of Representatives.

MY DEAR MR. CHAIRMAN: Your letter of April 3, 1936, receipt of which was acknowledged April 6, 1936, asks my reaction on the views of those favoring bill S. 1432 and the brief which they have prepared which you attached. This office submitted to your committee a report dated March 13, 1936, and you state:

"They take issue with part of your report, maintaining that it is not a gratuity under any circumstances and that there was absolutely no profit."

The report of this office of March 13, 1936, did not recommend passage of the bill and suggested that inasmuch as the relief heretofore granted (act of Mar. 2, 1919, and subsequent enactments), as well as that by the bill proposed, being a gratuity, it seemed in the light of the general rule that interest is not allowable on claims against the United States, that claimants had been generously treated by the Congress—they having been compensated for "net losses" sustained, save as to certain interest on borrowed moneys employed in the transactions accruing since March 2, 1919.

The report by this office did not suggest that passage of the bill and payments accordingly would result in payment of profits to claimants, and in referring to the bill as providing a "gratuity"—which you state has been objected to—it is to be stated that the term was employed in its legal sense and not as one of disparagement, to distinguish between a legal obligation and a claim for relief based upon equitable considerations, and it seems admitted there was originally no legal liability on the part of the Government. See also the judicial view in this regard—decision of the Court of Appeals of the District of Columbia, February 19, 1934, re *Harold L. Ickes, Secretary of the Interior, v. Cuyuna Mining & Investment Co.*, 69 Fed. (2d) 662, referred to in the report of March 23, 1934, of the Secretary of the Interior.

The brief submitted by proponents of the bill and transmitted by you for comment tends to clarify the purpose of the proposed legislation. It seems therefrom and from the report on the bill, under date of February 14, 1936, by the chairman of the Committee on Mines and Mining of the House of Representatives, that it having been judicially established by the decision of the Supreme Court of the United States, of December 7, 1931 (284 U. S. 231), that under the provisions of the act of March 2, 1919, interest that had been paid or incurred for money borrowed and lost in producing the particular minerals was for consideration in determining the "net loss", it is the contention of those advocating passage of the present bill that inasmuch as such interest had been excluded by the Secretary of the Interior in determining and paying "net losses" under the act of March 2, 1919, interest on borrowed money continued to accrue, to the extent there were insufficient payments by the Government to permit of complete repayment of the moneys borrowed, plus interest then accrued, up to the date of action on claims pursuant to the decision of the Supreme Court of December 7, 1931—some 12 years—and that inasmuch as the additional payments then made allowed interest only to March 2, 1919, the decision of the Supreme Court, while establishing the right to include interest on borrowed money in determining "net loss" coming some 12 years after adjustment of losses was provided for—and limiting to March 2, 1919—actually afforded less relief than was contemplated by the act of March 2, 1919. The pending bill provides for payments in such amounts as will cover "net losses", including interest on borrowed moneys, down to passage of the bill.

The present condition arose from the failure of the then Secretary of the Interior to give full effect to the act of March 2, 1919, in that if he had then made full payments as authorized

by said act the borrowed moneys could have been repaid and the accruing of interest thereon would have ceased.

The authority to settle claims under the act of March 2, 1919, was vested in the Secretary of the Interior instead of the regularly established agency for claims settlements when the Government is involved, now the General Accounting Office, and this office has not, of course, examined the claims involved in the pending bill, to ascertain the merits thereof or the facts as to application of prior payments under the act of March 2, 1919, to see just what further payments would be justified in the event the bill should become law. The bill proposes to leave the matter of further settlements wholly with the Secretary of the Interior.

With respect to whether payments under the bill, if enacted, would be a gratuity, it seems clear that such payments would represent relief based upon equity, rather than any legal liability, and thus a gratuity, because there was no legal liability as a basis for the act of March 2, 1919, and there is no legal responsibility to respond in damages arising from any claimed too-limited administration of said act by the Secretary of the Interior, which latter appears the real basis for the pending bill.

With respect to that portion of the report of March 13, 1936, by this office which suggested the general rule of the legislative branch to deny interest on claims against the Government as for consideration and possible application, and that in view of the nature of the claims and prior payments under the act of March 2, 1919, apparently covering losses, save a portion of the interest on borrowed moneys, there had been generous treatment of claimants, the brief is of little assistance save to point out that the general rule is not necessarily for application in that what is proposed is no more, with respect to making the claimants whole, than was intended by the act of March 2, 1919, and which was defeated, in part, by administration of the act and the lateness of judicial interpretation giving administration a correct guide. This, of course, is proposed to be at the further expense of the Government, involving, apparently, something over a million dollars.

Whether the relief sought should be granted is, of course, a problem for the Congress. This office has performed its duty when it has pointed out the facts, the rules generally applicable to claims, and such matters as apparently would be for consideration and which would not, naturally, be advanced by proponents of the bill.

As to the suggestion in the report by this office that in view of the nature of the claims and prior payments thereon it appeared claimants had been generously treated by the Government, there was in mind, of course, the many who suffered losses as a result of patriotic efforts during the World War and for whom nothing has been or likely will be done. There were other cases, possibly many, not unlike those here involved but for which no adjustments have been proposed. However, the problem of, in which cases, and to what extent relief shall be afforded from the Federal Treasury is one involving the responsibility of the Congress and that of the President under his veto authority.

Sincerely yours,

J. R. McCARL,

Comptroller General of the United States.

MR. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

MR. TABER. Mr. Speaker, I think the House really ought to know something about what it is doing at this time and what it is proposed that it should do. If any of the Members have the hearings that were conducted by this committee and will turn to page 7 they will see that the main claimant—and the main claimant means almost the whole hog—has already been to the well five times.

MR. ZIONCHECK. Mr. Speaker, will the gentleman yield just for one statement?

MR. TABER. I yield for a question; yes.

MR. ZIONCHECK. Does the gentleman understand that these claimants not only received the out-of-pocket expenditures which they actually incurred but they also received interest up to some day in March of 1920 after the war? The gentleman from Missouri [Mr. COCHRAN] was not correct when he said it was just for the duration of the war. Some \$600,000 for just one claimant; and one of the parties who claims to have lost this money is now a lobbyist and has received over \$15,000 in fees from the Government. This is a steal.

MR. RAMSPECK. Mr. Speaker, will the gentleman yield?

MR. TABER. I yield.

MR. RAMSPECK. I say to the gentleman from Washington that there is absolutely nobody representing one of these claimants represented in this bill. No lobbyist here.

MR. ZIONCHECK. Not in the House.

MR. RAMSPECK. No; and he is not in Washington, either.

MR. TABER. I do not yield further, Mr. Speaker.

This claimant was the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga. He was on the stand before the

committee. His testimony appears on page 7 as to when he made his first claim. A bill was first introduced on the 2d of March 1919, and under that these claimants were all supposed to make their claims, have them passed on, and that was supposed to be the whole story. Under that proposition this claimant went on, and he was awarded and paid \$223,000 October 25, 1919. Then the act was amended again. They came to the House of Representatives again after they had been paid in full once.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TABER. When I get through.

So that the gentleman will understand it and the House will understand it, another act was passed on November 16, 1921, spreading it out a little more, and this time the Chestatee Corporation was awarded a further sum of \$469,784, and that was supposed to be payment in full. Then there was another stir-up, and a decision by the Secretary of the Interior, after another act had been passed on the 13th of February 1929, and on the 7th of December 1932 there was a payment of \$1,584, and then again on February 23, 1933, \$90,500, or five separate trips to the well for this outfit.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not now. Then this outfit has a claim for \$600,000 of the \$1,250,000 that is supposed to be the limit of payment in this bill.

Mr. COX. Mr. Speaker, will the gentleman yield there?

Mr. TABER. Yes; I yield.

Mr. COX. The gentleman has quoted from the testimony of the witness who testified in behalf of the Chestatee claim?

Mr. TABER. Yes.

Mr. COX. The gentleman is familiar with the record, I presume. Is he prepared to question a single statement of fact set out in this testimony?

Mr. TABER. I do not know whether I am prepared to question any of the facts. Does the gentleman question the fact that this particular outfit has been to the well five separate times and that it still has a claim of \$600,000? I wonder how far this House is going to go with that sort of doings? It seems to me that it gets worse and worse the further I go into the hearings. I cannot understand it myself. I have had some little experience in practicing law and when I went out on a claim and made a settlement of a lawsuit it was settled once and for all. That is what was supposed to have been done when this bill was passed in the first place, when it was passed in the second place, when it was passed in the third place, when it was passed in the fourth place. This is an attempt to pass it in the fifth place.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot yield further at this time.

It is true there is a very considerable volume of claimants. Their listing covers pages 68 to 73, inclusive, of the hearings in rather fine print; but these claimants have very small claims, compared with that of the Chestatee Corporation.

Mr. COX. Mr. Speaker, will the gentleman yield? I think the gentleman should yield in the interest of correct information.

Mr. TABER. If I have given false information I should be glad to yield to the gentleman.

Mr. COX. The gentleman has referred to these several payments made to this particular claimant under the law as being in satisfaction of the claim. In this regard the gentleman is altogether in error, because they were not paid in settlement of the claim, but on account; and there was no receipt given as a settlement of the claim; and if the gentleman will refer to the letter of the Secretary of the Interior he will see that I am correct.

Mr. TABER. I am going to read from the letter of the Secretary of the Interior because I believe the House ought to know what the Secretary of the Interior did say:

In many of the awards made by my predecessor since the amendment of 1929, the claimants have accepted such awards in complete and final settlement of their rights under the War Minerals Relief Act.

Mr. PITTINGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not until I have finished reading this.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. TABER. I continue reading:

One exception to this is the case of the Chestatee Corporation.

I am not going to read it all. [Laughter.]

Yes; I will read it all so the Members may have it:

The Chestatee Pyrites & Chemical Corporation, in which awards to the amount of \$929,850 have been made, on the last of which, on February 23, 1933, acceptance was made by claimant as payment of its loss in full to March 2, 1919, as stated in the award.

Mr. PITTINGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Not at this time; not until I have explained this matter to the House. Now, it appears that this big corporation with the \$600,000 claim was smart enough not to give a receipt in full, whereas all the rest did, according to the Secretary of the Interior.

Mr. COX. Mr. Speaker, if the gentleman will yield, does the gentleman assert that the claimant should give a receipt in full when only a partial payment was made?

Mr. TABER. As far as my understanding goes, I do not think this is so. When the different acts were passed by Congress it was understood to be the end of it, not that the claimant was coming back here year after year until it had built up a tremendous amount. We are having claims all the time in addition to the \$8,500,000, and all those claims under the act of 1929 were put up, and we have had to appropriate, or will have to appropriate, somewhere around \$900,000. About \$900,000 was the last estimate I got.

Mr. MAAS. Mr. Speaker, will the gentleman yield at this point?

Mr. TABER. I yield.

Mr. MAAS. Does the gentleman know how much was appropriated by Congress to take care of these claims in the original instance? It was \$50,000,000, was it not?

Mr. TABER. Yes; and that was just \$41,500,000 more than Congress, after it had considered the matter again in 1919, thought should be appropriated; and the amount was reduced to \$8,500,000. On top of this sum \$900,000 more was appropriated.

Can anyone who has sat in the House of Representatives and seen bills considered imagine this House passing bills of this character without believing the bills mean a receipt in full—mean that that is all Congress is going to allow?

These people come here and tell a story. Do they tell a story that these folks did not go into this operation figuring they were going to make a profit?

Mr. PITTINGER. Mr. Speaker, will the gentleman yield at this point?

Mr. TABER. I cannot yield; I have not time.

I do not believe any one of these claimants went into this operation expecting they were going to get out of it just even up. They expected a profit.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. TABER. Mr. Speaker, I believe this bill should be turned down and that a final end should be made to the process of taking money out of the Treasury five and six times for the same claim. Here is this one corporation. Do you suppose, if you were drawing a bill to meet this situation, as that corporation undoubtedly had the major part in the drawing of it, that you would figure to leave out anything the corporation was entitled to have included? That is the story the continued return to these claims presents right on its face—that this Congress has dealt exceedingly liberally with these claimants and that we ought to stop now with the liberal payments that have already been made to them and refuse to pay for the fifth and the sixth time. I hope Congress will defeat this resolution.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I do not know that I shall consume the entire 10 minutes that has been allotted to me by the gentleman from Georgia, but I desire, before the House reaches the point where it is to vote upon the proposition here, that it shall fully understand not only the moral, but the legal obligation that, in my opinion, the Government is under to pay these claims. Mr. Speaker, I was here at the session of Congress when in our hour of national desperation to make every possible effort for our national defense and to carry on successfully the war in which we were engaged, the President of the United States, through one of the executive officers of his Cabinet, made an appeal to certain groups of patriotic men in America to volunteer their credit, their time, and their productive energies in order to produce at the very earliest moment for the purpose of national protection these four very essential materials for military preparation. We had a lot of patriotic men in America at that time—men in the camps, men in the front-line trenches and the citizens back home—dedicating every energy and every purpose to carry the war to a successful conclusion. The men who are filing these claims today against the Government of the United States are the type of men to whom I am referring. This appeal was made not to any one section of the country, but to the entire country. The record of the answers of these men will show it was not a sectional response in any sense, but, on the contrary, every section of the country where there was any possibility of developing these resources was found was represented. There are 90 claims here from all sections of the United States. Hundreds of men volunteered to answer this appeal of our Government in the hour of its desperation. A typical case has been cited of this man down in Virginia. A similar situation applies to these other men. They said, "All right; you are asking us to do something for our Government. We have a deposit down here which we think offers possibilities. We will answer your call and go out and borrow money. We have not got it, but we will pledge our credit in order to carry out this proposition." They did that, but before there was any real volume of production the war closed.

In what shape did it leave these men? They had borrowed money. They had pledged their credit. The banks held their obligations. They had to close down these plants, and thereafter the deposits were of no commercial or strategic value to anyone, but these patriotic men, in the meantime, were obligated as men of honor and men of credit to meet their obligations. They are not asking this Government for any profit on these war operations. They are not attempting to come back here four or five or six times, as the gentleman from New York states, to make additional demands. No honest debt is settled until it is settled in full, even if there have been partial payments made upon it.

Mr. Speaker, this claim is not only a moral claim against the Government of the United States, but it is a legal claim also, because the Supreme Court of the United States of America has held that the payment of interest upon an obligation made under a contract constitutes a legitimate part of the net losses of the person who is undertaking the enterprise, and that is all that is involved in this bill. It is not interest on profit. It is not interest on investment, but interest upon the actual loss that these men have suffered. Their creditors are asking them to pay this money today, and many of these men are standing at the very door of the bankruptcy court, threatened with repudiation of their credit. That is the situation. I would be ashamed—and I say this as sincerely and as earnestly as I have ever said anything in my life—if this great Government of ours, in view of the record, in view of the equities of the case, in view of the legal position of these claims, repudiated these honest obligations that it owes to these patriotic citizens. [Applause.]

The Supreme Court of the United States passed upon the matter and they have held that this is a legal obligation. There is no use discussing the moralities of the situation as reflected in our duty to pay where there is a debt due.

Mr. WOODRUM. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Virginia.

Mr. WOODRUM. In addition to what the gentleman has stated, and in connection with the question of net losses, may I recall this fact to him? The Virginia case to which reference has been made came from my district and I know personally about the facts. If this bill is passed, of course, it definitely and finally disposes of these cases.

Mr. BANKHEAD. Absolutely.

Mr. WOODRUM. May I call the gentleman's attention to the fact that it does not by any manner or means reimburse these people for their actual outlays, for this reason: When it came to the settlement and decision of what were net investments and net losses, by strict construction placed upon the act by the Court of Claims, many items that were legitimately invested were not allowed. These people lost that money. They lost these expenses. They lost everything. They had to go through all these years in trying to be made whole by the Government. So they are not by any manner or means out of the woods on the transaction if this bill is passed, even though it definitely disposes of these particular cases.

Mr. BANKHEAD. Absolutely; and the statement made by the gentleman from Virginia is another cumulative argument in favor of the adoption of this rule and the passage of the bill.

Mr. SNELL. Will the gentleman yield for information?

Mr. BANKHEAD. I yield to the gentleman from New York.

Mr. SNELL. As I understand the situation, the largest claimant here has had his claim settled for \$900,000. Am I correct?

Mr. BANKHEAD. No. I think the gentleman is in error.

Mr. SNELL. Well, that was the statement made by the gentleman from New York, and he took the facts from the record. The gentleman from New York informs me that statement appears in the hearings.

Mr. BANKHEAD. I do not deny that large sums were paid some of these claimants.

Mr. SNELL. That is the sum stated in the record.

Mr. BANKHEAD. The final report shows the fact.

Mr. SNELL. On the basis of a \$900,000 or a \$1,000,000 claim, how can there be a claim at the present time for over \$600,000?

Mr. COX. Because payments have gone to the discharge of interest on the debt.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield to me to answer that question?

Mr. BANKHEAD. I will be pleased to yield to the gentleman from Georgia.

Mr. RAMSPECK. I will say to the gentleman from New York [Mr. SNELL] that this bill does not appropriate one dime to any particular claimant. The question of how much, if any, money any claimant received is a matter for decision by the Secretary of the Interior.

Mr. SNELL. But this \$600,000 is one of the claims you are considering.

Mr. RAMSPECK. We do not know what that man will get, but we think it is approximately one-half a million dollars or maybe a little more.

Mr. SNELL. How could he have a claim of one-half a million dollars on a million-dollar final settlement?

Mr. RAMSPECK. For the reason that only partial payments were made over a period of 15 years and he was paying interest on nearly \$700,000 of borrowed money, but all this does not have anything to do with the principle involved in this measure.

Mr. SNELL. You could not figure that interest on \$700,000 for the entire time would amount to \$600,000.

Mr. RAMSPECK. Whatever it is, the Secretary will determine.

Mr. BANKHEAD. Just a word, in conclusion. Upon the facts stated by me and based upon what the gentlemen who have spoken here have said, I appeal to this House to adopt this rule and to pass this bill. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Speaker, I have only 4 minutes and I am not going to yield until I have finished my statement.

I hope this rule is adopted, and if it is adopted, some of the misunderstandings that have been created here can be cleared up in the 2 hours that will be allowed for general debate.

In answer to the statement of the gentleman from Missouri about establishing a new precedent, all I ask you to do is to read the report, and you will realize that you are starting nothing new.

In answer to the statement made about this Georgia case, as well as the other cases, I know the facts in the Georgia case. I know that man had a going business. I know he lost his mines when the war closed him down, and I know that in his old age today he is facing bankruptcy. This is the Georgia case.

I also know that these people have not been paid in full, and if they had not had to fight with war mineral boards and Government officials over a period of 16 years to get these awards, they would not be here today. If these payments had been made 16 years ago, the bill would not be here now. I have two of them in my district, and I know the facts in these cases, and if the ladies and gentlemen of this House will take the time, as I have done, to go into these matters, there will not be a single vote against this rule. The least we can do is to give the author of this bill time under the rule to answer these questions and to explain these misunderstandings.

I do not know what the gentleman from New York [Mr. TABER] means when he talks about going to the well. For 16 years able-bodied, patriotic men and women who took their Government at its word, have been begging and begging so they would not die in the poorhouse.

This rule ought to be adopted—

Mr. MAAS. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. MAAS. Is it not true that even if these claims are paid, every single claimant will have lost money in a substantial amount?

Mr. PITTENGER. This Georgia man lost his mines. I have talked with him and he is now 70 years old. He was one of the big businessmen at the time, and he is now broke. This is true of my constituents, and it is true of others.

Mr. COX. Mr. Speaker, will the gentleman yield to me in regard to the case from Georgia, which the gentleman from New York referred to?

Mr. PITTENGER. I yield.

Mr. COX. If this bill is passed and all the money that the Chestatee Co. gets goes to its creditors, it will still leave them shy about one-half or one-fourth of a million dollars.

Mr. PITTENGER. More than that.

Mr. COX. And in addition, the Pratt Bros. will have lost a prosperous piece of property which they had when it was commandeered by the Government.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. PITTENGER. I yield.

Mr. CHRISTIANSON. I call attention to the case of one of the claimants, a certain Minnesota citizen, whom I shall not embarrass by naming. Some years ago he was one of the leading businessmen of my State and was financially, as well as otherwise, very substantial. One of the cities of the Cuyuna Range in Minnesota was named for him. When I was Governor of my State I was called to Duluth to confer upon him a medal of merit in testimony of the recognition of his fellow citizens that he was the leading citizen of his community and had rendered it the most distinguished service during the year. This man is today operating a filling station in the city of Duluth because the United States Government, which he trusted, broke him. I do not believe that Congress will refuse to reimburse him.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield the remainder of my time to my colleague the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I have none of these claimants in my district, or, so far as I know, in my State, but I do know that this matter has been presented before the Rules Committee on several occasions, and I do feel that there has been a great deal of confusion about it, and that it ought to be considered by the House under this rule, which will be the first opportunity the House has ever had to hear the merits or demerits of the bill to be discussed.

This is not a bill to pay interest on a claim.

We have one such bill of my own city and one of my own State, and nothing has been done about those bills. This is not a bill to pay interest; it is not a bill to recoup interest in addition to the amount of the damage. It is to pay the amount of interest which was an integral part of the losses due to the insistence of the Government that the claimants go into the business and incur the obligations.

There are a lot of people in this country who say that our own Government deals more harshly, more technically with its own citizens than private individuals would ever dare to deal, and this often happens where the amount claimed is large. You have seen time and again meritorious claims objected to because the amount claimed was large. That was one reason for the attempted change of the rule for the consideration of the Private Calendar.

Our Government often takes recourse to every technicality, sending these particular claimants to the Supreme Court of the United States four times to determine what "net loss" meant. After the Supreme Court had determined what "net loss" did mean and had decided that it included "interest paid", our Government is still fighting its own citizens against a meritorious claim.

I believe this rule should be adopted so that we may get down to the discussion of the merits of this bill. I personally have heard it discussed before the Committee on Rules three times, and I have never had any doubt as to the merits of the measure. I trust that the rule will be adopted and that the bill will pass. [Applause.]

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. COOPER of Tennessee). The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. TABER) there were 104 ayes and 23 noes.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present. The call is automatic. The Doorkeeper will close the doors, and the Clerk will call the roll.

The question was taken; and there were—yeas 226, nays 58, not voting 143, as follows:

[Roll No. 82]

YEAS—226

Andresen	Cole, N. Y.	Ellenbogen	Imhoff
Arends	Connery	Engel	Jacobson
Ashbrook	Cooley	Englebright	Johnson, Tex.
Bacon	Cooper, Tenn.	Evans	Johnson, W. Va.
Bankhead	Costello	Fitzpatrick	Kahn
Barden	Cox	Fletcher	Keller
Barry	Cravens	Frey	Kennedy, Md.
Beam	Crawford	Fulmer	Kenney
Beiter	Creal	Gasque	Kerr
Biermann	Crosser, Ohio	Gearhart	Klinzer
Binderup	Cullen	Gehrmann	Kniffin
Blackney	Cummings	Gifford	Knutson
Bland	Curley	Gildea	Kocalkowski
Blanton	Deen	Gingery	Kopplemann
Bolleau	Delaney	Granfield	Kramer
Boland	Dempsey	Green	Lambertson
Boylan	Dirksen	Greenway	Lambeth
Brown, Ga.	Ditter	Guyer	Lamneck
Buck	Dockweiler	Gwynne	Lanham
Buckler, Minn.	Dondero	Haines	Lea, Calif.
Burdick	Dorsey	Halleck	Lemke
Burnham	Doughton	Hart	Lewis, Colo.
Carpenter	Doxey	Harter	Lewis, Md.
Carter	Drewry	Healey	Lucas
Cartwright	Driscoll	Hennings	Luckey
Casey	Driver	Hess	Ludlow
Castellow	Duffy, N. Y.	Higgins, Mass.	Lundeen
Chandler	Duncan	Hildebrandt	McAndrews
Chapman	Dunn, Pa.	Hill, Ala.	McClellan
Christianson	Eagle	Hobbs	McCormack
Clark, N. C.	Eckert	Holmes	McFarlane
Colden	Edmiston	Hook	McGehee
Cole, Md.	Ekwall	Hull	McGrath

McKeough	O'Neal	Sanders, Tex.	Thom
McLeod	Owen	Sandlin	Thomason
McMillan	Parsons	Schneider, Wis.	Tobey
McReynolds	Patterson	Schulte	Tolan
Maas	Patton	Scott	Tonry
Mahon	Pearson	Sears	Turner
Main	Peterson, Ga.	Secrest	Umstead
Mansfield	Pettengill	Shanley	Vinson, Ga.
Martin, Colo.	Peyster	Shannon	Vinson, Ky.
Mason	Pierce	Sirovich	Walter
Massingale	Pittenger	Smith, Conn.	Warren
Maverick	Plumley	Smith, Va.	Wearin
May	Polk	Smith, Wash.	Weaver
Mead	Rabaut	Smith, W. Va.	Werner
Merritt, N. Y.	Ramsay	Snyder, Pa.	Whichel
Mitchell, Tenn.	Ramspeck	Somers, N. Y.	Williams
Moritz	Randolph	South	Willson, La.
Mott	Rayburn	Spence	Wolcott
Nelson	Reece	Stefan	Wood
Norton	Relly	Stubbs	Woodruff
O'Connell	Robertson	Sutphin	Woodrum
O'Connor	Robinson, Utah	Tarver	Zimmerman
O'Day	Robison, Ky.	Taylor, S. C.	
O'Leary	Russell	Terry	

NAYS—58

Allen	Fenerty	Lord	Reed, N. Y.
Amlie	Fish	McLean	Rich
Brewster	Ford, Miss.	Mapes	Risk
Buchanan	Gilchrist	Marcantonio	Rogers, Mass.
Cannon, Mo.	Gillette	Marshall	Sauthoff
Carlson	Goodwin	Martin, Mass.	Schaefer
Cavicchia	Gray, Ind.	Michener	Schuetz
Church	Griswold	Millard	Seger
Citron	Hancock, N. Y.	Mitchell, Ill.	Snell
Cochran	Hollister	O'Malley	Taber
Colmer	Hope	Perkins	Tinkham
Culkin	Kelly	Powers	Whittington
Darrow	Kennedy, N. Y.	Rankin	Wilson, Pa.
Dickstein	Lehlbach	Ransley	
Eicher	Lesinski	Reed, Ill.	

NOT VOTING—143

Adair	Dies	Huddleston	Romjue
Andrew, Mass.	Dietrich	Jenckes, Ind.	Ryan
Andrews, N. Y.	Dingell	Jenkins, Ohio	Sabath
Ayers	Disney	Johnson, Okla.	Sadowski
Bacharach	Dobbins	Jones	Sanders, La.
Bell	Doutrich	Kee	Scrugham
Berlin	Duffey, Ohio	Kleberg	Short
Bloom	Dunn, Miss.	Kloeb	Sisson
Boehne	Eaton	Kvale	Stack
Bolton	Faddis	Larrabee	Starnes
Boykin	Farley	Lee, Okla.	Steagall
Brennan	Ferguson	McGroarty	Stewart
Brooks	Fernandez	McLaughlin	Sullivan
Brown, Mich.	Fiesinger	McSwain	Sumners, Tex.
Buckley, N. Y.	Flannagan	Maloney	Sweeney
Bulwinkle	Focht	Meeks	Taylor, Colo.
Burch	Ford, Calif.	Merritt, Conn.	Taylor, Tenn.
Caldwell	Fuller	Miller	Thomas
Cannon, Wis.	Gambrill	Monaghan	Thompson
Carmichael	Gassaway	Montague	Thurston
Cary	Gavagan	Montet	Treadway
Celler	Goldsborough	Moran	Turpin
Claiborne	Gray, Pa.	Murdock	Utterback
Clark, Idaho	Greenwood	Nichols	Wadsworth
Coffee	Greever	O'Brien	Wallgren
Collins	Gregory	Oliver	Welch
Cooper, Ohio	Hamlin	Palmisano	West
Corning	Hancock, N. C.	Parks	White
Crosby	Harlan	Patman	Wigglesworth
Cross, Tex.	Hartley	Peterson, Fla.	Wilcox
Crowe	Higgins, Conn.	Pfeifer	Withrow
Crowther	Hill, Knute	Quinn	Wolfenden
Daly	Hill, Samuel B.	Richards	Wolverton
Darden	Hoeppel	Richardson	Young
Dear	Hoffman	Rogers, N. H.	Zioncheck
DeRouen	Houston	Rogers, Okla.	

So the resolution was agreed to.

The Clerk announced the following additional pairs:
On this vote:

Mr. Short (for) with Mr. Andrews of New York (against).
Mr. Stewart (for) with Mr. Andrew of Massachusetts (against).
Mr. Knute Hill (for) with Mr. Wigglesworth (against).
Mr. Gregory (for) with Mr. Jenkins of Ohio (against).
Mr. Taylor of Tennessee (for) with Mr. Bolton (against).

General pairs:

Mr. Corning with Mr. Treadway.
Mr. McSwain with Mr. Cooper of Ohio.
Mr. Miller with Mr. Merritt of Connecticut.
Mr. Taylor of Colorado with Mr. Wadsworth.
Mr. Sumners of Texas with Mr. Eaton.
Mr. Huddleston with Mr. Crowther.
Mr. Sabath with Mr. Bacharach.
Mr. Patman with Mr. Focht.
Mr. Steagall with Mr. Hartley.
Mr. Wilcox with Mr. Collins.
Mr. Sullivan with Mr. Doutrich.
Mr. Kleberg with Mr. Higgins of Connecticut.
Mr. Greenwood with Mr. Thomas.
Mr. Boehne with Mr. Wolfenden.

Mr. Cary with Mr. Thurston.
Mr. Burch with Mr. Withrow.
Mr. Gavagan with Mr. Hoffman.
Mr. Fuller with Mr. Turpin.
Mr. Bulwinkle with Mr. Wolverton.
Mr. Dies with Mr. Kvale.
Mr. Duffey of Ohio with Mr. Welch.
Mr. Pfeifer with Mr. Hamlin.
Mr. Oliver with Mr. Caldwell.
Mr. Richards with Mr. Stack.
Mr. DeRouen with Mr. Faddis.
Mr. Meeks with Mr. West.
Mr. Sweeney with Mr. Kee.
Mr. Sisson with Mr. Gambrill.
Mr. Parks with Mr. Adair.
Mr. Utterback with Mr. Dear.
Mr. Crosby with Mr. Rogers of New Hampshire.
Mr. Sadowski with Mr. Gassaway.
Mr. Bloom with Mr. Palmisano.
Mr. Wallgren with Mr. Dunn of Mississippi.
Mr. Crowe with Mr. Lee of Oklahoma.
Mr. Peterson of Florida with Mr. White.
Mr. Ayers with Mr. Starnes.
Mr. Monaghan with Mr. Dietrich.
Mr. Larrabee with Mr. Young.
Mr. Montague with Mr. Farley.
Mr. Sanders of Louisiana with Mr. Bell.
Mr. Goldsborough with Mr. Boylan.
Mr. Quinn with Mr. Hancock of North Carolina.
Mr. McLaughlin with Mr. Ferguson.
Mr. Montet with Mr. Ryan.
Mr. Berlin with Mr. Richardson.
Mr. Samuel B. Hill with Mr. Brennan.
Mr. Kloeb with Mr. Scrugham.
Mr. Gray of Pennsylvania with Mr. Brown of Michigan.
Mr. Celler with Mr. Houston.
Mr. Romjue with Mrs. Jenckes of Indiana.
Mr. Buckley of New York with Mr. Carmichael.
Mr. Jones with Mr. Dingell.
Mr. Cross of Texas with Mr. Fernandez.
Mr. Moran with Mr. Nichols.
Mr. Disney with Mr. Maloney.
Mr. Claiborne with Mr. Harlan.
Mr. Clark of Idaho with Mr. Darden.
Mr. Zioncheck with Mr. Rogers of Oklahoma.
Mr. Johnson of Oklahoma with Mr. McGroarty.
Mr. Flannagan with Mr. Dobbins.
Mr. Coffee with Mr. Ford of California.
Mr. Fiesinger with Mr. Daly.
Mr. Murdock with Mr. Brooks.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 106, noes 36.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and make the point of order that there is no quorum.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-five Members are present, not a quorum. This is an automatic call. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 222, nays 40, answered "present" 2, not voting 163, as follows:

[Roll No. 83]

YEAS—222

Amlie	Cannon, Mo.	Cullen	Ellenbogen
Andresen	Carpenter	Curley	Englebright
Arends	Carter	Daly	Evans
Ashbrook	Cartwright	Deen	Fenerty
Bacharach	Casey	Delaney	Fernandez
Bankhead	Castellow	Dickstein	Fish
Barden	Chandler	Dies	Fitzpatrick
Barry	Chapman	Dirksen	Fletcher
Beam	Christianson	Dobbins	Ford, Miss.
Beiter	Citron	Dondero	Frey
Biermann	Clark, N. C.	Dorsey	Fuller
Binderup	Colden	Doughton	Gasque
Blanton	Cole, Md.	Doxey	Gearhart
Bloom	Cole, N. Y.	Drewry	Gehrmann
Boehne	Colmer	Driscoll	Gifford
Boileau	Connery	Driver	Gildea
Boland	Cooley	Duffy, N. Y.	Granfield
Boylan	Costello	Dunn, Pa.	Greenway
Brown, Ga.	Cox	Eagle	Guyer
Buckler, Minn.	Cravens	Eckert	Gwynne
Burch	Crawford	Edmiston	Haines
Burnham	Crosser, Ohio	Ekwall	Halleck

Hart	Lewis, Md.	Owen	Somers, N. Y.
Harter	Lucas	Parsons	South
Hartley	Ludlow	Patterson	Spence
Healey	Lundeen	Patton	Stefan
Hennings	McAndrews	Pearson	Stubbs
Hess	McCormack	Peterson, Ga.	Sullivan
Hildebrandt	McFarlane	Pettengill	Sutphin
Hill, Ala.	McGehee	Peyser	Tarver
Hill, Samuel B.	McGrath	Pfifer	Taylor, S. C.
Hobbs	McKeough	Pittenger	Terry
Hook	McLeod	Polk	Thom
Hull	McMillan	Rabaut	Thomason
Imhoff	McReynolds	Ramspeck	Thurston
Jacobsen	Maas	Randolph	Tolan
Johnson, W. Va.	Mahon	Reece	Tonry
Kahn	Main	Reilly	Turner
Keller	Mansfield	Robertson	Umstead
Kennedy, Md.	Martin, Colo.	Robinson, Utah	Vinson, Ga.
Kennedy, N. Y.	Mason	Robison, Ky.	Vinson, Ky.
Kenney	Massingale	Russell	Wallgren
Kerr	Maverick	Sanders, Tex.	Walter
Kinzer	May	Schneider, Wls.	Warren
Kniffin	Mead	Schulte	Wearin
Knutson	Merritt, N. Y.	Scott	Weaver
Kociakowski	Miller	Sears	Werner
Kopplemann	Mitchell, Ill.	Secrest	West
Kramer	Mitchell, Tenn.	Shanley	Whelchel
Lambeth	Nelson	Shannon	Whittington
Lamneck	Norton	Sirovich	Wolcott
Lanham	O'Brien	Sisson	Wolverton
Lea, Calif.	O'Connell	Smith, Conn.	Woodrum
Lemke	O'Connor	Smith, Va.	Zioncheck
Lesinski	O'Leary	Smith, W. Va.	
Lewis, Colo.	O'Malley	Snyder, Pa.	

NAYS—40

Blackney	Gray, Ind.	Marcantonio	Rich
Brewster	Griswold	Marshall	Rogers, Mass.
Buchanan	Hancock, N. Y.	Martin, Mass.	Sauthoff
Carlson	Hollister	Michener	Schaefer
Church	Holmes	Millard	Schuetz
Darrow	Hope	Mott	Seger
Ditter	Kelly	Perkins	Snell
Engel	Lord	Powers	Taber
Glichrist	McLean	Ransley	Tinkham
Goodwin	Mapes	Reed, Ill.	Wilson, Pa.

ANSWERED "PRESENT"—2

Allen	Cavicchia
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NOT VOTING—163

Adair	Dietrich	Johnson, Okla.	Richardson
Andrew, Mass.	Dingell	Johnson, Tex.	Risk
Andrews, N. Y.	Disney	Jones	Rogers, N. H.
Ayers	Dockweiler	Kee	Rogers, Okla.
Bacon	Doutrich	Kieberg	Romjue
Bell	Duffey, Ohio	Kloeb	Ryan
Berlin	Duncan	Kvale	Sabath
Bland	Dunn, Miss.	Lambertson	Sadowski
Bolton	Eaton	Larrabee	Sanders, La.
Boykin	Eicher	Lee, Okla.	Sandlin
Brennan	Faddis	Lehlbach	Scrugham
Brooks	Farley	Luckey	Short
Brown, Mich.	Ferguson	McClellan	Smith, Wash.
Buck	Flesinger	McGroarty	Stack
Buckley, N. Y.	Flannagan	McLaughlin	Starnes
Bulwinkle	Focht	McSwain	Steagall
Burdick	Ford, Calif.	Maloney	Stewart
Caldwell	Fulmer	Meeks	Sumners, Tex.
Cannon, Wis.	Gambrill	Merritt, Conn.	Sweeney
Carmichael	Gassaway	Monaghan	Taylor, Colo.
Cary	Gavagan	Montague	Taylor, Tenn.
Celler	Gillette	Montet	Thomas
Claiborne	Gingery	Moran	Thompson
Clark, Idaho	Goldsborough	Moritz	Tobey
Cochran	Gray, Pa.	Murdock	Treadway
Coffee	Green	Nichols	Turpin
Collins	Greenwood	O'Day	Utterback
Cooper, Ohio	Greever	Oliver	Wadsworth
Cooper, Tenn.	Gregory	O'Neal	Welch
Corning	Hamlin	Palmisano	White
Creal	Hancock, N. C.	Parks	Wigglesworth
Crosby	Harlan	Patman	Wilcox
Cross, Tex.	Higgins, Conn.	Peterson, Fla.	Williams
Crowe	Higgins, Mass.	Pierce	Wilson, La.
Crowther	Hill, Knute	Plumley	Withrow
Culkin	Hoeppel	Quinn	Wolfenden
Cummings	Hoffman	Ramsay	Wood
Darden	Houston	Rankin	Woodruff
Dear	Huddleston	Rayburn	Young
Dempsey	Jenckes, Ind.	Reed, N. Y.	Zimmerman
DeRouen	Jenkins, Ohio	Richards	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Additional general pairs:

Mr. Gregory with Mr. Jenkins of Ohio.
 Mr. Rankin with Mr. Short.
 Mr. Knute Hill with Mr. Andrew of Massachusetts.
 Mr. Cochran with Mr. Bolton.
 Mr. Rayburn with Mr. Stewart.
 Mr. Steagall with Mr. Taylor of Tennessee.
 Mr. Fulmer with Mr. Wigglesworth.
 Mr. Cooper of Tennessee with Mr. Andrews of New York.
 Mr. McClellan with Mr. Lehlbach.

Mr. Cary with Mr. Bacon.
 Mr. Flesinger with Mr. Wolfenden.
 Mr. Sabath with Mr. Risk.
 Mr. Flannagan with Mr. Culkin.
 Mr. Gambrill with Mr. Lambertson.
 Mr. Dockweiler with Mr. Woodruff.
 Mr. Bulwinkle with Mr. Doutrich.
 Mr. Boykin with Mr. Reed of New York.
 Mr. Thompson with Mr. Tobey.
 Mr. Palmisano with Mr. Plumley.
 Mr. Bland with Mr. Turpin.
 Mr. Dempsey with Mr. Kvale.
 Mr. Goldsborough with Mr. Withrow.
 Mr. O'Neal with Mr. Greever.
 Mr. Wood with Mr. Pierce.
 Mr. Brennan with Mr. Cross of Texas.
 Mr. Luckey with Mr. Sandlin.
 Mr. Gingery with Mr. Williams.
 Mr. Ramsay with Mr. Buck.
 Mr. West with Mr. Oliver.
 Mr. Creal with Mr. Rogers of Oklahoma.
 Mr. Zimmerman with Mr. Hamlin.
 Mrs. O'Day with Mr. Smith of Washington.
 Mr. Gillette with Mr. Duncan.
 Mr. Eicher with Mr. Higgins of Massachusetts.
 Mr. Cummings with Mr. Dunn of Mississippi.
 Mr. Greever with Mr. Wilson of Louisiana.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1432, the War Minerals Claims Act, with Mr. BEAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. SMITH of West Virginia. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, the gentleman from New York [Mr. TABER], in discussing this matter under the rule, attempted to leave the impression that these claimants had come to Congress and sought certain settlements and received them and then had come back three, four, and five times, when, as a matter of fact, the gentleman from New York knows, because he has studied this matter, that that is not a correct picture of the facts.

Mr. TABER. Will the gentleman yield there, Mr. Chairman?

Mr. RAMSPECK. Just as soon as I finish my statement I shall be glad to yield to the gentleman to answer any question he may want to ask.

The gentleman from New York knows that in the Chestatee case, to which he referred, the record showed their original claim was for over \$900,000. The gentleman knows also, if he has studied the case, as I think he has, that all of these claims were filed for the full amount and had to be filed promptly after the passage of the act in 1919. They could not come back again under the law. There has not been any law authorizing them to come back again. There have been several amendments to this act.

Now, if the gentleman from New York desires me to yield on that point I will yield now.

Mr. TABER. No. The gentleman can finish his statement.

Mr. RAMSPECK. The original act, as I stated in the debate on the rule, was passed in 1918, and was not acted upon because the Attorney General ruled that it was a war measure and the war was over. This act of March 2, 1919, which we are now proposing to amend, was amended in 1921 at the request of the Secretary of the Interior. The gentleman from New York [Mr. TABER] left the impression that these claimants came back every time and got this act amended. As a matter of fact, the record shows that the Secretary of the Interior himself asked for the amendment of 1921 because he recognized that he had made mistakes in administering the law, and the Comptroller of the Treasury Department held that he could not correct those mistakes. So he was man enough to come to Congress and ask for the correction so that he could go back and reopen the claims where he had made mistakes and rectify them.

In addition to that, the purpose of the amendment of 1921 was to take care of certain claims which had been mailed within the statutory limit provided in the original act, but had not been received in time, and he wanted to consider those claims. At the request of the Secretary of the Interior, Congress made that amendment.

The amendment of 1924 simply dealt with the aggregate amount disbursed under the act. I do not recall how that happened to be passed or who asked that it be passed.

The act of 1929, of course, was passed at the instance of the claimants, and they had a right to ask that it be passed. The results of the litigation in the Supreme Court of the United States justifies them in that position.

If you will get a copy of the hearings and read the decision of the Supreme Court, you will see that the Supreme Court overruled the various Secretaries of the Interior on the question of taxes paid, on the question of allowance for salaries to people in these companies, and various and sundry and other questions where the Secretary had disallowed parts of the claims which they filed and to which they were justly entitled.

One of the things involved was the question of interest on money which was lost in the operation and which constitutes a part of the net loss. First, the Supreme Court of the District of Columbia held that they were not entitled to that because, they said, it was not a part of the net losses. The Court of Appeals of the District of Columbia overruled the Supreme Court of the District of Columbia, and that case went to the Supreme Court of the United States. The opinion of the Supreme Court of the United States, which was rendered by Mr. Justice McReynolds, is in the hearings, if any Member desires to refer to it. Mr. Justice McReynolds held that the various Secretaries of the Interior had been wrong in their construction of the act, and that they ought to have paid interest on the money borrowed and lost because it was, within the meaning of the law, a part of the net losses which the Congress directed to be paid.

The whole record in this case is well known. It has all been printed in Senate documents and in hearings before the various committees. There is absolutely no question, except interest, which the Supreme Court held to be a part of net losses, involved in this bill, despite the effort to prejudice you against this bill because of the fact that one of the claimants happens to be a large claim.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. DONDERO. Have any of these claimants ever signed a receipt in full or signed a release in full to the Government of the United States on any of these claims?

Mr. RAMSPECK. Absolutely not on any claim which will be affected by the bill now before the Committee for consideration. That is not only stated in the record, but in the last letter which the Secretary of the Interior wrote, in which he withdrew his objection to the bill, he said he was mistaken in making that statement, and that is one of the reasons why he withdrew his objection to the bill. They did get partial payments from time to time while they were continuing to contend all the time that there were other items which ought to be paid to them.

The situation is that the claimants involved have borrowed money within the period which the law said is covered by this original act. When they received these partial payments, in accordance with the laws of the States where they were domiciles, they did just what you, I, or any other person owing money would do—applied the payment first to the interest and then to reducing the principal of their debt. This is the custom and the law in every State I know anything about. In that way these people made payments on their obligations as soon as they could.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SNELL. As I understand the situation at the present time with respect to the Chestatee Co., which is the largest claimant involved, and the one we have discussed more than any other, it is that they filed claim in 1919 for \$914,000, that

this was the full claim they had against the Federal Government.

Mr. RAMSPECK. I think that is approximately correct.

Mr. SNELL. I am speaking of approximate figures, of course. Within a very few days they received a payment of \$223,000; in other words, their claim was reduced to \$691,000.

Mr. RAMSPECK. I would not say they received it within a very few days.

Mr. SNELL. They received it on October 25 of the same year, according to the statement I have just read.

Mr. RAMSPECK. The gentleman is correct. They received \$223,000 on October 25 of that year.

Mr. SNELL. And then reduced their claim to \$691,000, and would leave only \$691,000 in October 1922.

Mr. RAMSPECK. I do not agree with the gentleman's statement, because interest had been running on \$645,000 which they borrowed, and which interest the Supreme Court later held they were entitled to.

Mr. SNELL. I am limiting my present discussion to their claim against the Federal Government. It is to be taken for granted that the company filed claim for the full amount they expected to get.

Mr. RAMSPECK. Yes.

Mr. SNELL. In October of 1922 they received \$469,000. In April of 1932 they received an additional \$44,000, and in June of 1933 they received \$1,584 more. So it could not possibly figure out that the full amount of their claim at the present time is anything like \$600,000.

Mr. RAMSPECK. All right; I submit this question to the gentleman from New York. The gentleman has read this bill, I presume.

Mr. SNELL. I have read it, but I admit I do not understand it.

Mr. RAMSPECK. No matter what the company may claim is due, they will not get a nickel out of this bill unless the Secretary of the Interior orders it paid. The matter is left in the hands of the Secretary of the Interior.

Mr. SNELL. The gentleman from Georgia very kindly gave me the figures I have used.

Mr. VINSON of Georgia. Mr. Chairman, if the gentleman will yield, the statement of the gentleman from Georgia is absolutely correct. Until the Secretary of the Interior agrees they will not receive one dollar.

Mr. SNELL. No matter how the claim is figured, and interest on the claim, it could not possibly amount to \$600,000 at the present time.

Mr. RAMSPECK. I may say to the gentleman from New York that I cannot in my head figure what the situation would be as to interest. I take the position that it does not make any difference, so far as this bill is concerned, what they are claiming, because we leave the matter where it has always been, in the hands of the Secretary of the Interior, to determine what amount, if any, they are entitled to, or what any other claimant is entitled to. We are not legislating one nickel to any claimant under this bill. We are not changing the right of the Secretary of the Interior to determine what, if any, claim is due. We are dealing solely with a principle; that is, that they are entitled to this interest for 14 years which they did not get because of the wrongful construction of an act by the Secretary of the Interior.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. CHRISTIANSON. It seems to me this controversy presents an accounting problem that could be better settled by accountants working for the Secretary of the Interior at leisure than by dispute amongst Members of this House under the excitement of debate.

Mr. RAMSPECK. I agree with the gentleman absolutely. It does not make any difference, as to the merits of this bill, what they will get or whether they get anything.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VINSON of Georgia. This bill does not in the slightest degree interfere with the authority and jurisdiction of

the Secretary of the Interior in the liquidation and settlement of claims as set out in section 5 of the act of March 2, 1919. In other words, it is entirely discretionary with the Secretary of the Interior what any claimant receives, and they must meet certain conditions or they will not receive anything. The Chestatee Co. must go to the Secretary of the Interior.

Mr. RAMSPECK. The gentleman is entirely correct.

Mr. PITTINGER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTINGER. The gentleman from New York asked if it was not a fact that different awards were made on different items over a period of years. When the awards were received they were applied first to payment of interest and then to a reduction of principal, so far as the particular payment was concerned, and for this reason the claimants have never been able to wipe out losses they sustained.

Mr. RAMSPECK. The gentleman is correct.

Mr. PITTINGER. The Secretary of the Interior uses a different method in determining their claims.

Mr. RAMSPECK. That is true. It is entirely up to him, but there is no appeal from the Secretary of the Interior as to what amount shall be paid.

Mr. TABER. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. TABER. The gentleman has stated that these payments were made, and I desire to read one sentence from section 5 of part II of the act of 1919, which is absolutely conclusive on the situation:

That the Secretary of the Interior be, and he hereby is, authorized to adjust, liquidate, and pay such net losses as have been suffered by any person, firm, or corporation by reason of producing or preparing to produce either manganese, chrome, pyrites, tungsten—

And so forth. Does the gentleman see any possible construction of that language other than the fact that if the Secretary of the Interior made any payment at all it had to be under a receipt in full? The language is plain.

Mr. RAMSPECK. That was the construction which the Comptroller of the Treasury placed on the matter, and I just stated to the gentleman a while ago that the record discloses the Secretary of the Interior discovered he had made errors in making some of these awards, but the Comptroller of the Treasury held he could not correct them. Thereupon the Secretary himself came to the Congress in 1921 and asked for an amendment to the act, which was approved on November 23, 1921, and may I read to the gentleman the final paragraph:

If in claims passed upon under said act awards have been denied or made on rulings contrary to the provisions of this amendment, or through miscalculation, the Secretary of the Interior may award proper amounts or additional amounts.

That is what happened in every one of these cases. He made erroneous rulings and the case we are trying to correct now went on 14 or 15 years. The man was denied interest on money borrowed, and this interest was a part of his loss. The Supreme Court said the Secretary was wrong.

Mr. DONDERO. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Michigan.

Mr. DONDERO. I wonder if the House fully understands that these people were assured by the Government they would not suffer any loss if they would yield to the Government in producing the things we needed in time of war?

Mr. RAMSPECK. I am glad the gentleman brought that up, because insofar as these cases which are covered by the proposal now before the Committee are concerned, it has been judicially determined that each one of them did engage in this business at the specific request of either the Secretary of the Interior, the Bureau of Mines, the Geological Survey, or the Shipping Board, as I recall it. There were three or four agencies named in the original act. Before the Secretary of the Interior would even consider a claim the first thing he determined was that they had acted in good faith in response to a request from one of the specified agencies of the Government, and about half of the claims

were ruled out on that point. If that was not determined as a prerequisite, the Secretary of the Interior did not go any further with any of the claims.

Mr. BIERMANN. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Iowa.

Mr. BIERMANN. If, under the act of 1921 and the amendment thereto, the Secretary of the Interior is authorized to settle these claims, and if the Supreme Court has decided that interest and other items form part of the just claims, what is the necessity or purpose of this legislation?

Mr. RAMSPECK. I may say to the gentleman from Iowa [Mr. BIERMANN] that the first case which went to the Supreme Court on the question of interest was decided solely on the point of interest being a part of the net loss within the meaning of the act and directed the Secretary of the Interior to pay those net losses. Then, when the mandate of the Supreme Court went back, the Secretary said, "Well, that means payment of interest as a part of the net loss only up to March 2, 1919", the date of the original act. Bear in mind this happened in 1933, 14 years after the passage of the act; so these people who had been paying interest for all these 14 years said, "That is not fair. You were supposed to pay our net losses and we have been paying interest now for 14 years since this act was passed." They would not take it and the case went back to the Supreme Court. The Supreme Court in that case upheld the Secretary of the Interior.

Mr. VINSON of Georgia. And the law covered the net loss and the obligations incurred.

Mr. RAMSPECK. Yes. The act all the way through said, "For all obligations incurred"; and we contend that the interest was incurred during the war period.

Mr. BIERMANN. I am inclined to agree with the gentleman, but I cannot get it through my head just why this legislation is necessary as long as the act of 1921 is there, and so long as the Supreme Court held that these are just claims.

Mr. RAMSPECK. If I gave the gentleman the impression that the Supreme Court said that interest beyond the date of the original act, March 2, 1919, was to be paid, I gave him the wrong impression. That is when they upheld the Secretary of the Interior in the second case.

Mr. BIERMANN. This covers, then, some of the items not covered by the act of 1921?

Mr. RAMSPECK. Yes.

Mr. VINSON of Georgia. It was the intention of Congress that these people should be reimbursed for their net losses and obligations to be incurred?

Mr. RAMSPECK. That is correct.

Mr. VINSON of Georgia. And the Supreme Court held that could not be done up to March 2, 1919, and for the lack of clarifying by statute what was the intent of Congress it is necessary to have this bill enacted now to show it was the intent of Congress that all net losses and all obligations incurred from April 6, 1917, to November 18, 1918, are entitled to be compensated for.

Mr. CURLEY. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. CURLEY. I listened very attentively to the gentleman from Georgia explaining this proposition today in connection with the discussion on the rule. I was very much impressed with what he said at the beginning when he mentioned the fact that the Government was trying to mobilize its resources at that time for the purpose of prosecuting the World War. I am talking about the situation which led up to the contract that was ultimately entered into. I understood the gentleman from Georgia stated that the Government was unable to get the manganese necessary to prosecute the war. Of course, in normal times we would get all we want from the other side.

Mr. RAMSPECK. The gentleman is correct.

Mr. CURLEY. But due to the fact no shipping was available at the time, it was necessary for the Government to get such minerals from sources of a domestic nature and to call upon these men you are talking about that had this property to enter into contracts with the Government for

the purpose of supplying the minerals necessary to prosecute the war.

Mr. RAMSPECK. That is correct. They were asked to do it, and they did so at the request of the Government, and the Government promised to make them whole; and they will not be made whole unless this bill is passed.

Mr. PITTINGER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. PITTINGER. Referring to the question of the gentleman from New York [Mr. SNELL], is it not a fact that interest was running over a period of 3 or 4 years before the Government investigators acted and began paying any of these claims?

Mr. RAMSPECK. Well, the first payment made in the Chestatee case, which the gentleman was referring to, was made in October 1919. Another payment was made 3 years later, and I call the attention of the House and the Committee to the fact that from then on it was 10 years before they ever got another nickel out of this claim. For 10 years they were fighting here for their rights, which the Congress had given them, but from 1922 to 1932 they did not get a nickel.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman.

Mr. CHANDLER. Will the passage of this bill enable a final settlement, once and for all, of the claims involved in this measure?

Mr. RAMSPECK. The gentleman is absolutely correct. It is plainly stated in this measure that as to the 91 claims involved in this matter, when they are paid under this bill, they must sign a receipt in full.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Alabama.

Mr. HILL of Alabama. If the war had gone on it would have been absolutely necessary for the Government to have had these war minerals and, of course, no one could tell when the war was going to end; in fact, it ended much sooner than most of us thought it would.

Mr. RAMSPECK. That is absolutely true.

Mr. HILL of Alabama. And one of the most pressing problems we had was in connection with a shortage of ships. We had no vessels in which to bring these minerals in from other countries and we had to provide our own supply of these war minerals here in the United States, and the Government went to these men and asked them to do that very thing.

Mr. RAMSPECK. The gentleman is correct. The record is very clear on that and there can be no dispute about it.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VINSON of Georgia. Upon the passage of this bill there will practically be a termination of the activities of the war minerals branch of the Department of the Interior?

Mr. RAMSPECK. That is my understanding. The matter is practically wound up with certain decisions of the court that have been rendered in other cases and upon the passage of this bill, I think it can be wound up.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. SNELL. What assurance have we of that? That is what we understood when we passed these other amendments, and now you come again and say that if you get this bill passed, it will end it.

Mr. RAMSPECK. The language of this bill is plain—

Mr. SNELL. The language of the other acts have been plain and complete, but nevertheless they found new claims and came back to Congress, and we amended the old act.

Mr. RAMSPECK. Of course, the gentleman has been here longer than I have, and he knows that no Member of the House can give any assurance about what some future Congress may do.

Mr. SNELL. A Member who has been here as long as I have, I understood, gave that assurance to the House.

Mr. RAMSPECK. This is the only time there has ever been written into the statute itself that this should constitute full settlement. This is written in this measure, so we are at least making that much progress, and I hope the gentleman will help us.

Mr. RICH. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. Evidently there is not a quorum present. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 84]

Adair	Duffey, Ohio	Jenckes, Ind.	Risk
Andresen	Duncan	Jenkins, Ohio	Robertson
Andrew, Mass.	Dunn, Miss.	Johnson, Okla.	Rogers, N. H.
Andrews, N. Y.	Ekert	Johnson, Tex.	Rogers, Okla.
Ayers	Elcher	Kee	Romjue
Berlin	Ekwall	Kennedy, Md.	Russell
Bland	Faddis	Kerr	Ryan
Bolton	Farley	Kleberg	Sabath
Boykin	Ferguson	Kloeb	Sadowski
Brennan	Fernandez	Kvale	Sanders, La.
Brewster	Fiesinger	Lambertson	Sandlin
Brooks	Fish	Larrabee	Scrugham
Buckley, N. Y.	Fitzpatrick	Lee, Okla.	Short
Bulwinkle	Flannagan	Lehlbach	Smith, Va.
Burch	Focht	Lewis, Md.	Smith, Wash.
Caldwell	Ford, Calif.	Lord	Stack
Cannon, Wis.	Ford, Miss.	Luckey	Starnes
Carmichael	Gambrill	McClellan	Steagall
Cary	Gasque	McGrath	Stewart
Castellow	Gassaway	McGroarty	Summers, Tex.
Cavichia	Gavagan	McMillan	Sutphin
Chapman	Gifford	McSwain	Sweeney
Citron	Gillette	Maloney	Taylor, Colo.
Claborne	Gray, Pa.	Marshall	Taylor, Tenn.
Clark, Idaho	Greenway	Meeks	Thomas
Coffee	Greenwood	Merritt, Conn.	Thomason
Collins	Greever	Monaghan	Thompson
Cooper, Ohio	Gregory	Montague	Thurston
Creal	Guyer	Montet	Tinkham
Orosby	Hamlin	Moritz	Tobey
Cross, Tex.	Hancock, N. C.	Murdock	Treadway
Crowe	Harlan	Nichols	Turpin
Culkin	Healey	Norton	Utterback
Cummings	Higgins, Conn.	O'Day	Welch
Darden	Higgins, Mass.	Oliver	West
Darrow	Hill, Knute	Palmisano	Wigglesworth
Dear	Hill, Samuel B.	Parks	Wilcox
DeRouen	Hoeppel	Patman	Williams
Dietrich	Hoffman	Peterson, Fla.	Wilson, La.
Dingell	Hook	Quinn	Withrow
Disney	Hope	Ramsay	Wolfenden
Ditter	Houston	Rayburn	Young
Dockweiler	Huddleston	Reilly	
Doutrich	Hull	Richards	
Driver	Imhoff	Richardson	

The Committee rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 1432, found itself without a quorum and he caused the roll to be called, when 250 Members answered to their names, and he handed in the names of the absentees to be printed in the Journal.

The Committee resumed its session.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, it is usual when a bill of this character is presented to the House that there be some real reason given why the bill should be enacted into law by the proponents of the bill before those who feel conscientiously obliged to oppose it are called upon to go into the thing into its entirety.

Frankly, I am led to the conclusion that the proponents do not believe that the bill itself has any merit.

While the gentleman from Georgia [Mr. RAMSPECK] had the floor I called attention to some facts with reference to the situation. I am going to call attention to some other facts and then call attention to those that I brought out while he was on the floor, and to those things that have happened in connection with the history of the legislation with reference to this subject over the past 15 or 16 years.

On the 5th of October 1918 a law was passed permitting the Secretary of the Interior to do certain things with reference to certain minerals which are the subject of this legislation.

There was set aside \$50,000,000 to take care of the revolving fund for carrying out the purposes of the act.

After the war was over the Secretary of the Interior was not permitted, as the gentleman from Georgia has told you, to make settlement with the people who had gone ahead under this act.

Now, the situation was this: They had the claims presented for consideration. The claims were numerous—something like several hundred, as I understand.

On the 2d of March 1919 a bill was passed which authorized the Secretary of the Interior "to adjust, liquidate, and pay such net losses as had been suffered by any individual, firm, or corporation."

To my mind, and to the mind of any fair-minded person, that meant that if he made a settlement that was a settlement in full. I cannot figure any other way out of that situation. A lot of these people have these claims and a lot of money was paid as a result of those claims. I shall call attention to a few of them. I called attention when I took the floor with reference to the adoption of the rule to this claim of the Chestatee Corporation.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. The gentleman read section 5 and stated the way he interpreted it is that net loss was in the settlement of the claims.

Mr. TABER. Absolutely. The language, to my mind, can be interpreted in no other way or interpreted fairly in no other way.

Mr. VINSON of Georgia. The gentleman would be absolutely correct if the net losses had been paid, but the difficulty is that the Secretary of the Interior never paid the net losses.

Mr. TABER. I shall go into that as we go along. I am rather inclined to believe that he had.

Mr. VINSON of Georgia. It leaves it absolutely in his discretion in the future to determine that, does it not? There is nothing in this bill that will take away any of the prerogatives of the Secretary of the Interior to liquidate and finally settle these claims; and, if the net losses have been paid, then nobody gets any payment.

Mr. TABER. The authority of the Secretary of the Interior under that act of March 2, 1919, was limited to a gross payment of eight and a half million dollars.

Mr. VINSON of Georgia. Not at all. It was limited to the net losses, and Congress merely set aside eight and a half million dollars out of the \$50,000,000 appropriation, and there was no limitation as to dollars and cents except in that one particular act.

Mr. TABER. I am going to read the gentleman just what the situation was, and I hope that he will follow me:

Provided, however, That the payments and disbursements made under the provisions of this section for and in connection with the payments and settlements of the claims herein described, and the said expenses of administration, shall in no event exceed the sum of \$8,500,000.

Mr. VINSON of Georgia. And if at that time the Secretary had paid the net losses, it would not have exceeded the eight and a half million dollars.

Mr. TABER. I am inclined to agree with the gentleman, although we have paid a great deal more than the eight and a half million dollars, and there are pending some other claims on which the present statutes require further appropriations. There was a group of claims presented in addition to that I told you about, of 15 or 20 which received additional awards in 1934, totaling \$504,000. At that time we were told that there were probably \$900,000 coming along. The total amount that has been paid and probably will be paid without further legislation, as I understand it, will run about \$10,000,000. I believe these people went into this proposition absolutely believing that they were going to make a profit. Most of them have been paid a lot of money. The question at issue at the time this thing came up, was whether or not the salvage value of their properties acquired after the investment they had made as

a result of their supposed contracts with the Secretary of the Interior, was one amount or another. After that law was passed we went along a little further, and some payments were paid under the 1919 law. I want the membership of the House to realize that this law of 1919 was unquestionably passed at the instance and at the request of those Members of Congress who represented districts where these claims existed. That is the usual practice. I was not here at that particular time; it goes back further than I do, but I am sure that that was the situation.

Mr. VINSON of Georgia. The gentleman has not any objection to the wisdom of the act of March 2, 1919, has he?

Mr. TABER. If they had stopped there, I would not have, but I do call attention of the House to the number of times this has come back. On November 23, 1921, another act was passed, and I assume that was at the instance of Members of Congress who represented the districts where the claimants resided.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I decline to yield at this time. This must have been as far as they anticipated they could ask Congress ever to go. That was the second time they came.

Mr. VINSON of Georgia. Will not the gentleman yield now?

Mr. TABER. Not now. Then after that, in order that they might get away from the limitations of eight and a half million dollars, another act was passed on the 7th of June 1924, and I assume that was passed at the instance and request of the Members of Congress who represented those districts in which the claimants resided, and I am practically certain of that because I was here at that time and I remember the interest that a great many people had in that bill.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. Before the gentleman gets away from the act of 1921, which has already been passed over, the reason why that was passed, was it not, was because the Secretary of the Interior had made errors and the Congress stated in the very act that the purpose of it was because of errors that the Secretary of the Interior had made when he was failing to carry out the act of Congress of March 21, and give them the net losses, because the act plainly says, "through miscalculations."

So, therefore, Congress at that time knew that the Secretary of the Interior, in carrying out the March 2, 1919, law had made errors which the Congress itself was seeking to correct. Is not that the fact?

Mr. TABER. I do not know whether that is the fact or not. There is nothing in the act that I can see that says that, but I may not see it all.

Mr. VINSON of Georgia. Let me read the last paragraph, which says this:

If in claims passed upon under said act, awards have been denied or made on rulings contrary to the provisions of this amendment, or through miscalculation, the Secretary of the Interior may award proper amounts or additional amounts.

Mr. TABER. That is true. I do not think I ought to yield any further. But that is not a declaration that such mistakes had been made.

Mr. VINSON of Georgia. Did not Congress put it in the bill?

Mr. TABER. It is a declaration that if the Secretary of the Interior or anyone else made mistakes he might award the proper amounts, but after that was done, still other payments were made. After that law was passed, the claim of the Chestatee Corporation was increased from \$223,000, which was paid in accordance with the act of October 2, 1919, up to almost \$684,000. It must be that that was intended to be made, and must have been accepted, in accordance with the provisions of the act of 1919 as payment in full. Why should we not stand on those payments in full when we made them and passed two acts?

But we were not satisfied with that, because we passed another act in 1924, and, as I understand, some payments were made. Then we come into another act in 1929, and these people got further payments. For instance, this Chestatee Corporation under that act received three further payments, one on March 14, 1932, of \$40,000; another on December 7 of \$1,584; and another on February 23, 1933, of \$90,500. These corporations and these businesses, as a result of this act, and the various amendatory acts, have received large awards, increasing awards each time. I can remember when the 1929 act came in, and I know that the Congressmen representing those districts were back of it.

Mr. VINSON of Georgia. Should they not be back of it?

Mr. TABER. I am not criticizing the Congressmen. They are entitled to get back of any act to protect the interests of the people of their own districts, but we first had a bill which provided, I believe, by its fair interpretation, for settlement in full. Then we had four other bills which permitted changes and raises to be made in the amounts that should be paid. Now, we have a fifth bill coming in here, which permits still another raise and extension in the amount that can be paid. I frankly do not see why this House, after having passed one bill, which absolutely and clearly means complete settlement, should change its position and increase five or six times the amounts that can be paid.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. Does the gentleman know of any new information that has come before the committee or that has been placed before the House that they did not have a year ago, when they went on record as opposed to the payment of this bill?

Mr. TABER. I do not.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VINSON of Georgia. The letter from the Secretary of the Interior has come in since.

Mr. SNELL. I have just read it and there is not any very definite information there. He does not say he favors the payment of this claim.

Mr. VINSON of Georgia. The Secretary of the Interior said he was opposed to it on account of the appropriation.

Mr. SNELL. And he says now that the House may do as it is of a mind to do.

Mr. VINSON of Georgia. Yes.

Mr. SNELL. He does not say he is in favor of the bill.

Mr. VINSON of Georgia. He leaves it to the wisdom of the Congress to do equity and justice to these people.

Mr. TABER. The Secretary of the Interior previously opposed the bill because he felt that the claimants, as a result of their acceptance of awards, had given a release in full. I do not see how he could have made an award without it being accepted as a release in full under this act. After that situation was over, I do not know why, but the Secretary of the Interior did go so far as to say, "Without recommending the passage of the bill I withdraw my previous objection in the belief that the Congress should say what was the intention of the original act."

Are we going to say that the intention of the original act was something different than it says itself? When the act itself says that the settlement shall be final and conclusive, are we going to say that "final and conclusive" does not mean a single thing? That is just the situation. Does "final and conclusive" mean anything, or does it mean that we will come back and keep coming for more money? That is the history of this case.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LUNDEEN. Perhaps there is some money left in the Treasury.

Mr. TABER. A lot of folks think there is a lot of money left in the Treasury. Frankly, if we paid our bonds there would not be any money left in the Treasury.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. Of course, under this bill no money comes out of the Treasury; it is already there, placed there by this administration to pay these claims.

Mr. TABER. Already there! The money does not come out of the Treasury! I hope the gentleman will join me in an attempt to amend the bill to provide that none of the money shall come out of the Treasury.

Mr. O'CONNOR. I have not heard the gentleman from New York complain about the W. P. A. or the P. W. A. projects in his district.

Mr. TABER. The gentleman has not heard me come out here and ask for any W. P. A. or P. W. A. money in my district. I have not. I voted against every one of these racketeering propositions to destroy the morale of the American people that has been presented here, and the gentleman knows it.

Mr. O'CONNOR rose.

Mr. TABER. I do not care what the gentleman wants to say, I am not going to yield to him now. He can get some time in his own right, but I do not propose to have the gentleman misrepresent my position.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a moment?

[Here the gavel fell.]

Mr. TABER. No; I cannot yield further; I have not the time.

Mr. SMITH of West Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1432) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Statutes, had come to no resolution thereon.

CAPT. PERCY WRIGHT FOOTE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7092, an act for the relief of Capt. Percy Wright Foote, United States Navy, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 2, line 6, strike out all after "admiral" down to and including "grade", in line 8, and insert "Provided, That he shall remain on the active list of the Navy in his present rank until the report of the next senior selection board of the Navy shall have been approved: *Provided further*, That if selected for promotion he shall be retained in his present rank on the active list until promoted to the rank of rear admiral, and in the event of his selection and subsequent promotion he shall be carried as an additional number in grade."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. EATON (at the request of Mr. BACHARACH), indefinitely, on account of illness.

To Mr. BOYKIN (at the request of Mr. HILL of Alabama), indefinitely, on account of important business.

To Mr. STARNES (at the request of Mr. HILL of Alabama), indefinitely, on account of important business.

To Mr. GAVAGAN (at the request of Mr. CULLEN), indefinitely, on account of official business.

To Mr. FARLEY, for 6 days, on account of important business.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 37. Concurrent resolution authorizing the printing of additional copies of each part of Senate Report No. 944, concerning the manufacture and sale of arms and other war munitions; to the Committee on Printing.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 396. An act for the relief of the Virginia Engineering Co., Inc.;

H. R. 4016. An act to amend section 10 and repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes;

H. R. 7253. An act for relief of James Murphy Morgan and Blanche Copelan;

H. R. 7463. An act for the relief of Izelda Boissoneau; and

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p. m.) the House adjourned until tomorrow, Thursday, April 30, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

826. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the Federal Communications Commission for the fiscal year 1936, amounting to \$400,000, to continue available until June 30, 1937 (H. Doc. No. 479); to the Committee on Appropriations and ordered to be printed.

827. A letter from The Assistant Secretary of War, transmitting a draft of a joint resolution to authorize the attendance of Maximo Mariano Pruna y Hernandez, a citizen of Cuba, at the United States Military Academy; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALTER: Committee on the Judiciary. S. 2456. An act to provide for the appointment of an additional district judge for the northern and southern districts of West Virginia; with amendment (Rept. No. 2540). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 12353. A bill to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925; without amendment (Rept. No. 2541). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 12455. A bill to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; without amendment (Rept. No. 2544). Referred to the Committee of the Whole House on the state of the Union.

Mr. PLUMLEY: Committee on Military Affairs. S. 3398. An act to establish the Air Corps Technical School and to acquire certain land in the State of Colorado for use as a site for said Air Corps Technical School and as an aerial gunnery and bombing range for the Army Air Corps; without amendment (Rept. No. 2545). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Indian Affairs. House Joint Resolution 415. Joint resolution to carry out the intention of Congress with reference to the claims of the Chippewa Indians of Minnesota against the United States; without amendment (Rept. No. 2546). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 11970. A bill to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration, at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial, at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936; without amendment (Rept. No. 2547). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TOLAN: Committee on Claims. H. R. 397. A bill for the relief of Robbie Coates; with amendment (Rept. No. 2518). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 1349. A bill for the relief of John T. Clarkson; with amendment (Rept. No. 2519). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3715. A bill authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora grant, New Mexico; with amendment (Rept. No. 2520). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 5752. A bill to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, as amended, to the dependent beneficiaries of Dr. Frank W. Lamb; with amendment (Rept. No. 2521). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 7363. A bill for the relief of F. E. Hall; with amendment (Rept. No. 2522). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 7642. A bill for the relief of Katherine Trick; with amendment (Rept. No. 2523). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 7794. A bill for the relief of Newark Concrete Pipe Co.; with amendment (Rept. No. 2524). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 7839. A bill for the relief of C. E. Rightor; with amendment (Rept. No. 2525). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 8091. A bill for the relief of Fields B. Arthur and Arthur L. Allen, co-partners, doing business as Arthur and Allen, and as assignees of Edward F. Rizer and A. B. Hoffman; also for the relief of the Colorado Culvert & Flume Co., a corporation; with amendment (Rept. No. 2526). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 8228. A bill for the relief of Mrs. W. E. Bouche; with amendment (Rept. No. 2527). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 8440. A bill conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille Rattallato and

Albert Ratalato; with amendment (Rept. No. 2528). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 8732. A bill for the relief of the estate of Hattie M. Dunford; with amendment (Rept. No. 2529). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 8783. A bill for the relief of J. H. Medlin; with amendment (Rept. No. 2530). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 8932. A bill for the relief of John S. Hemrick; with amendment (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 10044. A bill for the relief of Lt. Col. Fernand H. Gouaux; without amendment (Rept. No. 2532). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 10168. A bill for the relief of Arch A. Gary; with amendment (Rept. No. 2533). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 10279. A bill for the relief of the Pocahontas Fuel Co., Inc.; with amendment (Rept. No. 2534). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 10336. A bill for the relief of May Howard Bloedorn; with amendment (Rept. No. 2535). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 10435. A bill for the relief of Emma Hastings; with amendment (Rept. No. 2536). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 10439. A bill for the relief of John B. Ricketts; with amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 11022. A bill for the relief of Ethel Armes; with amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. DARDEN: Committee on Naval Affairs. H. R. 7993. A bill for the relief of Joseph Frank Schmidt; without amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 7825. A bill for the relief of Michael Stodolnik; with amendment (Rept. No. 2543). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES: A bill (H. R. 12507) to provide homes and farms for the tenant farmers of the United States, to refinance existing mortgages and liens on farms, to provide money to enable farmers to make necessary repairs and improvements, and for other purposes; to the Committee on Agriculture.

By Mr. REED of Illinois: A bill (H. R. 12508) to grant retired pay and allowances to certain retired officers now on the retired list of the Navy or Marine Corps; to the Committee on Naval Affairs.

By Mr. SOUTH: A bill (H. R. 12509) providing for a survey of the Colorado River, Tex., above the county line between Coke and Runnels Counties; to the Committee on Flood Control.

By Mr. TOLAN: A bill (H. R. 12510) providing for an additional naval academy in the San Francisco Bay area in the State of California, and for other purposes; to the Committee on Naval Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 12511) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. LEMKE: A bill (H. R. 12512) for the relief of certain persons who imported livestock feed from Canada into the State of North Dakota between January 9, 1935, and April 1, 1935, inclusive; to the Committee on Ways and Means.

By Mrs. NORTON: A bill (H. R. 12513) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes; to the Committee on the District of Columbia.

By Mr. COLE of Maryland: A bill (H. R. 12514) authorizing the Chesapeake Bay Authority to construct, maintain, and operate a toll bridge across the Chesapeake Bay from a point in Baltimore County, Md., over Hart Island and Millers Island to a point near Tolchester, in Kent County, Md.; to the Committee on Interstate and Foreign Commerce.

By Mr. DIES: A bill (H. R. 12515) to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. GASQUE: A bill (H. R. 12516) granting the consent of Congress to the county of Horry, S. C., to construct a bridge across the Waccamaw River at or near Red Bluff; to the Committee on Interstate and Foreign Commerce.

By Mr. PARSONS: A bill (H. R. 12517) to provide for a permanent system of flood control, and for other purposes; to the Committee on Flood Control.

By Mr. MAVERICK: A bill (H. R. 12518) making appropriations for relief purposes; to the Committee on Appropriations.

By Mr. DEEN: Resolution (H. Res. 499) providing for the consideration of H. R. 12120; to the Committee on Rules.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 575) authorizing the establishment of Luquillo National Park of Puerto Rico; to the Committee on the Public Lands.

By Mr. CITRON: Joint resolution (H. J. Res. 576) to amend the Constitution in regards to taxation; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 12519) for the relief of James Redmond; to the Committee on Pensions.

By Mr. BOYLAN: A bill (H. R. 12520) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12521) for the relief of Lester T. Gayle, Jr.; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H. R. 12522) for the relief of Grier-Lowrance Construction Co., Inc.; to the Committee on Claims.

By Mr. HESS: A bill (H. R. 12523) for the relief of Charles M. Marshall; to the Committee on Military Affairs.

By Mr. NELSON: A bill (H. R. 12524) granting a pension to Rebecca Leonhardt; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 12525) granting a pension to R. G. Bunton; to the Committee on Pensions.

By Mr. THURSTON: A bill (H. R. 12526) for the relief of Sarah E. Garnes; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10797. By Mr. CULKIN: Petition of the New York State Assembly, urging the Government to accept responsibility for relief and employment of transients; to the Committee on Ways and Means.

10798. Also, petition of the New York State Assembly, urging that Congress appropriate annually \$2,500,000 for the maintenance and operating expenses of the New York State canal system; to the Committee on Appropriations.

10799. By Mr. FITZPATRICK: Petition of the New York Adult Blind Aid Association, Inc., signed by John T. Kennedy, of 2327 Newbold Avenue, Bronx, New York City, N. Y., and a number of residents of Bronx County, urging the passage of House bill 7122, granting a pension to the needy blind; to the Committee on Pensions.

10800. By Mr. GOODWIN: Petition of Ellen B. O'Rourke and other residents of Kingston, N. Y., and vicinity, regarding the Townsend plan; to the Committee on Ways and Means.

10801. Also, petition of Mabel E. Albright and other residents of Kingston, N. Y., regarding the Townsend plan; to the Committee on Ways and Means.

10802. By Mr. REED of Illinois: Petition signed by Gertrude K. Beckman and 166 members of extension service of the University of Illinois, requesting passage of Copeland food and drug bill or other legislation which will afford consumer protection; to the Committee on Interstate and Foreign Commerce.

10803. Also, resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, protesting against passage of House bill 10387; to the Committee on the District of Columbia.

10804. Also, resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, protesting against House bill 3414; to the Committee on Ways and Means.

10805. Also resolution by the Women's Home Missionary Society of Downers Grove (Ill.) Methodist Episcopal Church, endorsing House bill 8368; to the Committee on the Judiciary.

10806. By Mrs. ROGERS of Massachusetts: Petition of custodial employees of the Post Office and Treasury Departments, of Boston, Mass., urging enactment of the Boylan bill (H. R. 7267); to the Committee on the Civil Service.

10807. By Mr. SADOWSKI: Petition of the Common Council of Detroit, Mich., endorsing House bill 12243; to the Committee on Banking and Currency.

10808. Also, petition of the Detroit Federation of Post Office Clerks, endorsing House bill 7688; to the Committee on the Post Office and Post Roads.

10809. Also, petition of the Detroit Federation of Post Office Clerks, endorsing House bill 3251; to the Committee on the Civil Service.

SENATE

THURSDAY, APRIL 30, 1936

(Legislative day of Friday, Apr. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 29, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	O'Mahoney
Ashurst	Connally	Johnson	Overton
Austin	Ooolidge	Keyes	Pittman
Bachman	Copeland	King	Pope
Bailey	Couzens	La Follette	Radcliffe
Barbour	Davis	Lewis	Reynolds
Barkley	Dieterich	Logan	Robinson
Benson	Donahay	Loneragan	Russell
Bilbo	Duffy	Long	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Borah	George	McNary	Smith
Brown	Gerry	Maloney	Steiwer
Bulkeley	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Van Nuys
Caraway	Hastings	Neely	Walsh
Carey	Hatch	Norris	Wheeler
Chavez	Hayden	Nye	White

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Nevada [Mr. McCARRAN], and the Senator from Florida [Mr. TRAMMELL], caused by illness.

I further announce that the Senator from Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. GORE], the Sen-

ator from California [Mr. McADOO], the Senator from Missouri [Mr. TRUMAN], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. TOWNSEND] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

CHARLES F. BOOTS

Mr. HARRISON. Mr. President, I wish to interrupt the legislative proceeding for a brief moment to express my personal high regard for a very valuable employee of the Senate who today is leaving the employment of the Senate and entering what he believes are broader fields of work. For 13 years this employee has been in the office of the legislative counsel of the Senate, and for 6 years has been legislative counsel for this body. In the course of that time he has assisted every Member of the Senate in the study and preparation of important legislation. It is my belief that the Senate has never had an employee who has been more faithful to his trust than has this gentleman, or one who has played in a very modest way a greater part in legislative achievements.

Charles F. Boots has been most valuable to the Congress and the country. Possessed of an extraordinary mind, courteous, and always accommodating, he will be missed by all of us. I am sure, Mr. President, I express the sentiments of the Finance Committee and of every Member of the Senate when I say that we regret that he is resigning as legislative counsel of this body, and we wish for him every success in this new and broader field of private employment and send with him the blessings of the Senate.

DEPARTMENTS OF STATE, JUSTICE, ETC., APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12098) "making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes", having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10, 23, 32, 33, 34, and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 8, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 25, 26, 27, 28, 29, 30, 31, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 53, 54, and 59, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$26,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For investigations relating to the establishment of a Federal zone along the international boundary, United States and Mexico, as authorized by Public Law Numbered 286, approved August 19, 1935 (49 Stat. 660), including salaries and wages; fees for professional services; supplies and materials; communication service; travel expenses; transportation of things; hire, maintenance, and operation of motor-propelled passenger- and freight-carrying vehicles; hire with or without personal services of work animals and animal-drawn and motor-propelled vehicles and equipment; and such other expenses as the Secretary of State may deem necessary, \$4,650, to be immediately available."

And the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and for payment of foreign counsel employed by the Attorney General in special cases, \$600,000, no part of which, except for payment of foreign counsel, shall be used to pay the compensation of any persons except attorneys duly licensed and authorized to practice under the laws of any State, Territory, or the District of Columbia"; and the Senate agree to the same.